

FBIS**DAILY REPORT
CONTENTS***Latin America*

Vol VI No 137

15 July 1980

ARGENTINA

Castro Madero Sees 'No Arms Race With Brazil' [HERALD 13 Jul]	B 1
Martinez de Hoz Announces New Economic Measures [HEARLD 11 Jul]	B 1
Widespread Reaction [HERALD 12 Jul]	B 2
'Inflationary' Charge [HERALD 13 Jul]	B 3
Former Union Leader Miguel Departs for U.S.	B 3

BOLIVIA

Minister Doubts Chilean Return to Andean Pact [PRESENCIA 9 Jul]	C 1
National Congress Adjourns; Banzer Trial Continued	C 1
La Paz Doctors Stage 24-Hour Strike	C 1

BRAZIL

Government Downplays Coup d'Etat Rumors [O GLOBO 9 Jul]	D 1
British Foreign Secretary To Visit 29 Jul	D 1
Briefs: Loan From Kuwait; PETROBRAS Prospecting in Algeria	D 1

CHILE

Christian Democrats Criticize 'Transition' Period Proposal	E 1
Briefs: Import-Export Figures; Agricultural and Forestry Exports	E 1

COLOMBIA

Negotiator Denies Report of Prompt Agreement With Venezuela	F 1
Ecuadorean Minister Says Oil Sales To Be Renewed	F 1
Soviets Refrain From Commenting on Charges Against Envoy	F 1
FARC Proposes Dialogue With Government	F 2
Human Rights Official Arrested as M-19 Leader	F 2
ANIF Calls Government's Antidrug Actions 'Useless'	F 2

PERU

Foreign Minister Comments on Relations With Bolivia [EXPRESO 1 Jul]	J 1
Revision of Hydroelectric Agreement With USSR Sought	J 1
Police Apprehend Cubans Trying To Stow Away to U.S.	J 1
Additional Arrests	J 2
Oil Contracts With U.S. Firms Receive Final Approval	J 3
President Morales Calls For Tranquillity	J 3
President-Elect Proposes 6-Month Labor Truce [EXPRESO 5 Jul]	J 3
Morales Will Not Attend Belaunde Inauguration	J 4
Briefs: World Bank Credit	J 4

URUGUAY

Government Authorizes Political Meetings	K 1
Army Commander Discusses Political Issues	K 1
Farmer's Debts To Be Refinanced on Individual Basis	K 2
Briefs: Import, Export Figures	K 2

MEXICO

Government Reiterates Enforcement of Fishing Laws	M 1
President To Meet Venezuelan, Costa Rican Leaders 3 Aug	M 1
Briefs: Ambassadors to Nicaragua, Australia, Railroad Construction	M 1

PANAMA

Columnist Decries Supreme Court Ruling on Monteria Treaty	N 1
[LA REPUBLICA 13 Jul]	
Building Contractors Charge Discrimination in Canal Area	N 2
[LA REPUBLICA 13 Jul]	
Liberal Party Votes To Participate in Elections	N 3
Commentary on Liberal Party Decision	N 3

CENTRAL AMERICA

COSTA RICA

Government Not To Join International Group on Embassy Case	P 1
Carazo Denies Receiving Weapons From Nicaragua's Borge	P 1
Former Security Minister Forbidden To Leave Country	P 2
Nicaraguan Border To Be Open for Festivities	P 2
Carazo, Monge Meet, Discuss Various Issues	P 2
Banana Company Not To Bargain With Illegal Strikers	P 3
No Pay for Strikers	P 3
Acceptance of Serrano Mediation	P 4

EL SALVADOR

Reportage on Costa Rican Embassy Takeover Continues	P 4
Peasants' Frustrations	P 4
No Talks Yet	P 4
No Plans To Leave Country	P 5
Government Offer of Protection	P 5
Details of Government Communique	P 5
Acceptance of Costa Rican Asylum	P 6
Deputy Foreign Minister Reports Mexican Relations Cooling	P 6
Morales Ehrlich: Junta Will Not Perpetuate Itself	P 7
Further Details [LA PRENSA GRAFICA 12 Jul]	P 8

GUATEMALA

Columnist Comments on U.S. Ambassador Ortiz' Removal	P 9
[PRENSA LIBRE 5 Jul]	
Police Chief, Students Killed in Separate Incidents	P 10

HONDURAS

Committee Reports Uranium Not Exploitable	P 11
Social Security Institute Workers Occupy Offices	P 11

NICARAGUA

Commander Borge Views Central American Situation	P 12
Junta Member Reaffirms Commitment to Human Rights	P 12
Ortega on Foreign Mining Companies' Indemnity Claims	P 13
[EL NUEVO DIARIO 3 Jul]	
Ortega Answers Questions on 'Direct Line' Program	P 13

CUBA

Authorities Criticize Attack on Tankers Off Africa	Q 1
Fishermen's Communique	Q 1
Details of Attack, Aftermath	Q 2
Medical Report on Seamen	Q 3
Moroccans Allegedly Behind Attack	Q 3
Castro Speaks at Teachers' Graduation Ceremony	Q 4
Castro Speech	Q 4
Commentar Outlines Government Stance Refugees	Q 9

CARIBBEAN

JAMAICA

Manley Denounces Fatal Shooting Incident	S 1
Withdrawal of 'CIA Officials' Reported	S 1
[Havana International]	

OTHER COUNTRIES

INTER-AMERICAN AFFAIRS

C.A. Leaders To Meet Mexican, Venezuelan Counterparts	V 1
Briefs: Andean Pact Import Figures	V 1

ECUADOR

Government To Negotiate New Oil Exploration Contracts	V 1
CEPE Affirms Sale of 98-Octane Gasoline by End of July	V 1

CASTRO MADERO SEES 'NO ARMS RACE WITH BRAZIL'

PY141948 Buenos Aires HERALD in English 13 Jul 80 p 11

[Text] (NOTICIAS ARGENTINAS) Comodoro Rivadavia--The existence of a nuclear arms race with Brazil was flatly denied yesterday by National Atomic Energy Commission (CNEA) President Adm Carlos Castro Madero yesterday. During a press conference in which he also noted that recent talks held with the Soviet Union on the purchase of enriched uranium from that country has not led to any agreement so far, the admiral talked to reporters after speaking at San Juan Bosco National University of Patagonia. He reiterated his criticism of the nuclear nonproliferation treaty, charging that Argentina was being discriminated against by those countries "who are trying to impede South American technical development" because of a presumed Argentine-Brazilian arms race which is endangering world peace. He noted that the fact that "these two countries (Argentina and Brazil) open their installations to each other and cooperate" indicates there is "no arms race."

Asked about the results of talks held recently with the Soviet Union on atomic energy matters, Castro Madero said the exploratory mission sent by the CNEA had produced positive results. After stressing the Argentine intention of obtaining enriched uranium, a raw material for making zircaloid pipes, he said the scope the agreement was going to have had not yet been determined. Finally he announced that the uranium-producing provinces were going to receive an increase in their royalties as "the provinces receive their money very late and suffer from its devaluation."

MARTINEZ DE HOZ ANNOUNCES NEW ECONOMIC MEASURES

PY112047 Buenos Aires HERALD in English 11 Jul 80 p 1

[Text] A far-reaching package of economic measures, perhaps the most important since the military government's economic programme was unveiled in April 1976, was announced yesterday by Economy Minister Jose Alfredo Martinez de Hoz.

They include the elimination of the 20 percent pensions and housing surtax paid by employers on wages, the extension of the value-added-tax (IVA) to virtually all goods and services, the elimination of 23 taxes, an increase on the taxes paid on goods not covered by the value-added tax such as cigarettes and petrol, lower industrial energy rates, the elimination of eight import surtaxes such as consular and freight surtaxes, and the elimination of restrictions on foreign currency deposits. The government has also set itself the aim of reducing all import duties to an across-the-board 20 percent by January 1984, according to an Economy Ministry press release which coincided with the minister's speech yesterday.

In a message which echoed the tone of his inaugural April 2, 1976 speech, Martinez de Hoz announced long-awaited "corrective measures" which observers see as carrying the opening up of the economy his programme proposes a step further.

The minister and his team had been lobbying for a reduction of wage surtaxes and the extension of the value-added-tax for some time now, reportedly meeting strong opposition on the elimination of wage surtaxes from the Ministry of Social Welfare. The roof on the value-added-tax has been raised from 16 to 20 percent for all products except pharmaceutical goods and foodstuffs, which will be set at 10 percent maximum.

He said that the extent of the changes introduced by his economic programme could be given in 12 points: 1) the freeing of prices, 2) the freeing of the exchange market, 3) the freeing of foreign trade by doing away with the monopoly on grain and meat exports, 4) the freeing of exports by doing away with export taxes and restrictions, 5) the freeing of imports with the elimination of import restrictions and the gradual reduction of import duties, 6) the freeing of interest rates and the opening up of the financial market to domestic and foreign competition, 7) the freeing of rents, 8) the elimination of "political" public service rates, 9) the elimination of subsidies and protective measures for certain privileged sectors which distort the economy, 10) the freeing of wages, 11) the opening up of the economy to foreign investments, and 12) more open technology transfer rules.

Referring to the flood of imported goods which have entered the country, Martinez de Hoz said their effect was minimal compared to the important amount of industrial and capital goods which have been imported, and which he expects to have a beneficial medium-term effect on the economy. "What we see in the Florida shopwindows doesn't matter," he said. "What matters is what we don't see, what is happening in the plants and the country's main production centres."

Widespread Reaction

FY132242 Buenos Aires HERALD in English 12 Jul 80 p 9

[Excerpts] The far-reaching package of economic measures announced by Economy Minister Jose Martinez de Hoz on Thursday set off a war of criticism by political, business and trade union leaders yesterday.

Argentine Rural Confederations (CRA) President Jorge Aguado, was almost alone in calling the measures "positive". He particularly praised the elimination of the income tax and the employers' 15 percent contribution to the pension fund system and the generalization of the IVA, [impuesto al valor agregado--value added tax] but he was very critical of the minister's avowed intention of not devaluing the peso and said the exchange rate "is going to continue being a very large distorting factor in the economy."

The Agricultural Intercooperative Confederation (Coninagro) on the other hand, expressed its "deception and frustration" by the minister's speech saying that none of the announced measures "really contribute to the serious crisis the farming sector, in general, and the regional economies, in particular, are going through." This attitude was echoed by Argentine Agrarian Federation (FAA) President Humberto Volando, who also charged the measures would "deepen the effects of the inflation with a recession."

Coninagro also expressed its dissatisfaction with the present exchange rate and further charged that the only beneficiaries of the measures would be the large corporations who will pay lower utility rates in relations to their volume of consumption.

Former Buenos Aires Governor Oscar Alende called the plan a "last and desperate" effort to justify a policy that will put the country in the hands of 100 large transnational companies that will attempt to control the world by the year 2000. Alende stressed that the IVA will put more of the "tax burden on the poor". He also doubted whether the IVA income could compensate for the pension fund contribution and 23 taxes to be eliminated.

Radical Party economist Roque Carranza joined in the criticism noting that technical education will be one of the plan's first victims. He too, noted that indirect taxation will be felt most by wage earners and commented on there not being a tax on interest payments.

Meanwhile former Economy Minister Alvaro Alsogaray said some of the measures "are correct and others questionable", but he felt they will do nothing to change the present situation.

Federalist Party President Francisco Manrique criticized the measures saying "apparently the businessman will enjoy a brief respite, which will be bread today and hunger tomorrow, while the consumer will keep finding it more and more difficult to live."

'Inflationary' Charge

PY132248 Buenos Aires HERALD in English 13 Jul 80 p 11

[Text] Reaction to the economic measures announced on Thursday by Economy Minister Jose Martinez de Hoz continued to be critical yesterday as political and union leaders charged the measures with being inflationary and dangerous for the future of Argentine industry.

Federalist Party Secretary Ricardo Balestra, however, declared the measures "tend to solve an overall crisis" but he said that "clear signs of a reactivation of productive activity were still not noted." Balestra was especially critical of the dollar-peso parity which he said "has fundamentally hurt our export possibility and has mostly favoured the entrance of imported goods." He also claimed that "indexation policy, maintained on bases that are not exactly related to the financial market reality, and high interest rates do not favour the development of the productive sectors."

First Line Radical leader Antonio Troccoli charged that the generalization of the value added tax (IVA) will be "a new power generator of the high inflation rate."

Leaders of bank and insurance employees' unions met yesterday to discuss ways of "unifying actions" if changes proposed by the Economy Ministry concerning labour practices are put into effect, union sources announced yesterday. They said the ministry was "trying to reduce the cost of dismissals to facilitate its policy of fusion and concentration of insurance companies and banks."

Meanwhile seven maritime unions which have not been intervened issued a joint statement expressing their "total opposition" to the elimination of the employers' contributions to the retirement fund, saying that "it tends to dismantle a structure that has defended the rights of both retired and active workers."

The national current of the Popular Left Front (FIP) issued a statement charging the economic plan with "tending towards the destruction of native industry" and causing the "redistribution of income" to the workers' loss.

FORMER UNION LEADER MIGUEL DEPARTS FOR U.S.

PY141500 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1059 GMT 14 Jul 80

[Excerpt] Buenos Aires, 14 Jul (NA)--The former secretary general of the Metalworkers Union [UOM] and the "62 organizations," Lorenzo Miguel, has departed for the United States. It is his first trip after his recent release from a 4-year detention period. Before departing, he added his criticism to that of other labor organizations, scoring the measures that have been announced by Economy Minister Jose Martinez de Hoz.

MINISTER DOUBTS CHILEAN RETURN TO ANDEAN PACT

PY141851 La Paz PRESENCIA in Spanish 9 Jul 80 p 9

[Text] Integration Minister Fernando Salazar Paredes said that "at present in Chile there are no objective conditions, much less subjective ones, that would make Chile return to the Andean group." Minister Salazar Paredes made this comment in referring to Peruvian president-elect Fernando Belaunde Terry's statement favoring the return of Chile to the Andean Pact, which Chile left in 1976.

Minister Salazar said regarding Chile's return: "I believe that all Andean countries, and especially us, who have profound democratic and integrationist aspirations, would like to see all Andean countries become members of the Andean Pact. However, an integration process implies realities, not just good wishes. Therefore, I consider it unfortunate that the day of Chile's return to the Andean Pact is still far away. I do not believe that objective conditions, much less subjective ones, presently exist in Chile for it to rejoin the Andean Pact."

Minister Salazar Paredes pointed out that "Chile left the Andean group not only for economic reasons, but also because of a whole political concept which is in open contradiction of the basic principles that are upheld by the five Andean countries."

Fernando Belaunde, who will assume power on 28 July, made statements to the Santiago newspaper LA TERCERA DE LA HORA referring to the Andean Pact, to which he said that "Chile must return."

NATIONAL CONGRESS ADJOURNS; BANZER TRIAL CONTINUED

PY150325 La Paz Radio Fides in Spanish 0200 GMT 15 Jul 80

[Excerpts] The national Congress has concluded its term. Walter Guevara Arze, president of the Congress, said that history will pass a positive judgment on this Congress because it defended the democratic process with blood.

The national Congress met today at 1700. A proposal was immediately made to change the agenda, which included the continuation of the political trial against former President Hugo Banzer Suarez. The proposal was unanimously approved. Other proposals were made asking for the adjournment of the Congress. After a recess, two proposals were made. The first resolution transferred the Banzer political trial to the next Congress.

LA PAZ DOCTORS STAGE 24-HOUR STRIKE

PY141252 La Paz Radio Panamericana Network in Spanish 1130 GMT 14 Jul 80

[Text] The health centers of the Ministry of Social Welfare and Public Health will not operate today because the Union of Social Welfare and Public Health Doctors of La Paz has ordered a 24-hour strike.

The strike is taking place because during the ceremony held on Friday to transfer the former eye hospital facilities to the foundation for the burn center, doctors and diplomats were expelled by a military detachment. The La Paz doctors union has decided to stage the strike to protest this action and demand explanations from the appropriate authorities.

GOVERNMENT DOWNPLAYS COUP D'ETAT RUMORS

PY141825 Rio de Janeiro 0 GLOBO in Portuguese 9 Jul 80 p 2

[Excerpts] Planalto Palace believes that the rumors formally stated by Gilvan Rocha, leader of the Popular Party [PP] bloc in the Senate, by means of an official note released on Monday to the effect that a coup is being staged against President Joao Figueiredo's policy of relaxation, are simply the result of too much imagination and lack of information.

The Planalto sources also provide the facts which clearly refute the existence of an atmosphere favorable to any attempts at curtailing the government's democratization process.

After going through the most difficult stages of negotiation, the Social Democratic Party [PDS] bloc in the Chamber of Deputies will have more than 220 members, thus confirming the government's initial estimates. This is considered to be enough to give the government a reassuring majority in the parliament.

The inflation index for the month of June is apparently going to indicate a decline in the inflation rate. In the meantime, the measures implemented by Planning Minister Delfim Neto will become fully effective as of September when the government will attain full control over inflation.

Once this target is reached, the government will resume the initiative in the political process through its congressional blocs, thus overcoming the logical difficulties which the leaders have encountered within the multiparty system.

Therefore, the government does not view as appropriate the proposal of Deputy Ulysses Guimaraes, president of the Brazilian Democratic Movement Party, that President Joao Figueiredo should call a constituent assembly as the only way out of the alleged political crisis.

Planalto Palace believes that any constitutional reforms must be carried out by the Congress which will be chosen in 1982 when the new political parties are organized and acknowledged by the voters.

BRITISH FOREIGN SECRETARY TO VISIT 29 JUL

PY150120 Brasilia Domestic Service in Portuguese 2200 GMT 14 Jul 80

[Text] Lord Peter Carrington, British secretary of state for foreign and commonwealth affairs, will make an official visit to Brazil 29 July - 2 August in response to an invitation extended to him by Brazilian Foreign Minister Ramiro Saraiva Guerreiro.

BRIEFS

LOAN FROM KUWAIT--Kuwait has granted Brazil a \$60 million loan for the National Economic Development Bank. This loan agreement was signed by Industry and Commerce Minister Camilo Penna and a Kuwaiti financial group. [Porto Alegre Radio Gaucha in Portuguese 1545 GMT 14 Jul 80 PY]

PETROBRAS PROSPECTING IN ALGERIA--The Brazilian Petroleum Corporation (PETROBRAS) will invest more than 2 billion cruzeiros in petroleum prospecting in Algeria. This prospecting agreement was signed between PETROBRAS, the Algerian National Petroleum Enterprise (SONABRAS) and a group of West German petroleum enterprises. The agreement stipulates that SONABRAS will receive 62 percent and PETROBRAS 38 percent of production should any petroleum be found. [Porto Alegre Radio Gaucha in Portuguese 1545 GMT 14 Jul 80 PY]

CHRISTIAN DEMOCRATS CRITICIZE 'TRANSITION' PERIOD PROPOSAL

PY141727 Buenos Aires LATIN in Spanish 0125 GMT 12 Jul 80

[Excerpts] Santiago, Chile, 11 Jul (LATIN)--Andres Zaldivar, president of the (recessed) Christian Democratic Party, said today that the 6-year transition period outlined in the draft of the new Chilean constitution is "unacceptable" and a "severe threat to the nation." Zaldivar, who was finance minister during the administration of Christian Democratic President Eduardo Frei (1964-70), made these remarks in a written declaration which has been released in Santiago.

Zaldivar's remarks are the first reaction from Chilean politicians to the constitutional proposal which has been drafted by the State Council and was submitted to President Augusto Pinochet for his consideration on Tuesday.

Zaldivar pointed out that "we have entrusted the study of the draft constitution prepared by the State Council, minus its temporary articles, to an outstanding group of experts in constitutional matters, whose opinion deserves our utmost confidence." He added that "since the State Council has spent almost 2 years in issuing its report concerning the draft of the new constitution [as received], we believe that it is our duty to study the draft's proposals with a great deal of attention to prevent hasty opinions from making the debate of a matter which is so important for Chile more difficult."

The president of the Christian Democrats indicated that "the situation of the proposed transition formula outlined in the temporary articles is quite different." Zaldivar reasoned that "those articles are designed to maintain the extreme concentration of power in the hands of President Augusto Pinochet for a period of no less than 6 years and 12 years at most." He believes that "such provisions are unacceptable and we flatly reject them. We also believe that they constitute a severe threat to the country and its present and future coexistence."

He emphasized that "we must reaffirm something which the State Council fails to mention. That is that no constitution can be valid in Chile unless the process for its approval strictly complies with the appropriate rules." He added that "thus, we wish to reaffirm once again that there is an urgent need to establish an impartial electoral system which would provide the regulations on electoral registers, balloting, vote counting and independent officials for the supervision of the process."

He concluded by indicating that "the government's reticence on this subject supplies sufficient motives for the public lack of confidence regarding the correct handling of this matter."

BRIEFS

IMPORT-EXPORT FIGURES--A report issued by the National Agricultural Society informs that the export of bottled wine during January-April increased by 83 percent as compared to the same period during 1979. The report also adds that Chile will import 1 million tons of wheat during 1980, which represents an additional expense of \$40.2 million. [Santiago Chile Domestic Service in Spanish 0000 GMT 9 Jul 80 PY]

AGRICULTURE AND FORESTRY EXPORTS--The agriculture minister has reported that agriculture and forestry exports totaled \$334 million during the first 4 months of 1980. This represents a greater than one-third increase in exports, since the same period in 1979 registered a total of \$233 million. [Santiago Chile Diplomatic Information Service in Spanish 2245 GMT 6 Jul 80 PY]

NEGOTIATOR DENIES PROMPT AGREEMENT WITH VENEZUELA

PA142114 Bogota Radio Cadena Nacional in Spanish 1730 GMT 14 Jul 80

[Text] Bogota--The government again denied today that the agreement to solve the border conflict with Venezuela will be solved soon.

Col Julio Londono Paredes, acting foreign minister and president of the commission which has been handling the negotiations on behalf of Colombia with representatives of the Venezuelan Government, explained that the consultations with top political personalities are a routine matter. In referring to the meeting that the negotiators will hold with the former presidents of the republic, Londono Paredes said that it will be held to give them detailed information on the progress of the negotiations.

This meeting does not mean that we are on the verge of an agreement with Venezuela, he said. He maintained that great progress has been made in the talks and noted that it is too early to say that an agreement will be made soon. We are studying the possible elements for the agreement but there is no general framework that indicates that the agreement is about to be signed, Londono Paredes concluded.

ECUADOREAN MINISTER SAYS OIL SALES TO BE RENEWED

PA121629 Quito Voz de los Andes in Spanish 1230 GMT 12 Jul 80

[Text] Ecuador has announced that it is prepared to renew its sale of oil to Colombia but reiterated that it cannot offer preferential treatment on oil sales. This was stated in Bogota by Ecuadorean Industries, Commerce and Integration Minister Germanico Salgado during a news conference convoked to give details on Ecuador's exhibits at the international commercial and industrial fair taking place in Bogota, Colombia.

We are willing to renew oil sales to Colombia the moment the Colombian Government considers it necessary, Salgado stated. The Ecuadorean minister noted that talks held earlier this year by the two countries to discuss oil supply matters were not fruitful and there was no agreement on prices.

SOVIETS REFRAIN FROM COMMENTING ON CHARGES AGAINST ENVOY

PA140020 Bogota Radio Cadena Nacional in Spanish 1730 GMT 11 Jul 80

[Text] Bogota--The Soviet Embassy in Colombia today refrained from making any comment on the charges voiced against the chief of the diplomatic mission by Adalberto Ovalle, president of the Chamber of Representatives.

The legislative official, on his return from an extended tour of Europe, charged that Soviet Ambassador Leonid Romanov had torpedoed the trip of a group of congressmen to Moscow.

Meanwhile, the Soviet ambassador refused to receive the press this morning, and an embassy official said that, for the time being, there will be no comment on the charges made by the president of the chamber.

The alleged snub of Colombian legislators has been connected to the aborted trip of President Turbay Ayala to the Soviet Union during his tour of Europe a year ago.

FARC PROPOSES DIALOGUE WITH GOVERNMENT

PA141914 Paris AFP in Spanish 1818 GMT 14 Jul 80

[Text] Bogota, 14 Jul (AFP)--It was learned here today that the main Colombian guerrilla group, the pro-Soviet Revolutionary Armed Forces of Colombia (FARC), has proposed a dialogue with the government for an eventual surrender.

A message in this regard was sent to the Colombian Congress and disseminated over the radio in Bogota. The message is signed by Manuel Marulanda, top leader of the FARC known as "Tirofijo," and stresses a possible turnover of weapons in order to help in the pacification of the country.

The message does not say anything about demands for a surrender but notes that the FARC is seeking a "dignified peace." It also affirms that during the past government of President Alfonso Lopez Michelsen this rebel group expressed its willingness to lay down arms but that there were certain difficulties.

The alleged and eventual surrender of the FARC was revealed a few days after the group rejected an amnesty planned by the present regime of President Julio Cesar Turbay for the guerrillas. The amnesty bill will be submitted to Congress on 20 July but it does not apply to those who are being tried or who have been sentenced for subversive activities.

HUMAN RIGHTS OFFICIAL ARRESTED AS M-19 LEADER

PA130026 Paris AFP in Spanish 1406 GMT 12 Jul 80

[Text] Medellin, Colombia, 12 Jul (AFP)--It was officially reported here today that a military judge has ordered the arrest of former Congressman Jaime Jaramillo, president of the Human Rights Committee in the Department of Antioquia. Jaramillo is accused of being an alleged leader of the M-19 [19 April Movement] extremist movement.

Jaramillo was arrested here last week, during the nationwide raids in the wake of the escape of two M-19 leaders from a Bogota jail. The 47-year-old former congressman and lawyer is allegedly involved in kidnappings in that area, according to army spokesmen.

ANIF CALLS GOVERNMENT'S ANTIDRUG ACTIONS 'USELESS'

PA121703 Bogota Radio Cadena Nacional in Spanish 1730 GMT 11 Jul 80

[Excerpts] The National Association of Financial Institutions [ANIF] warned the government today that its actions to combat the production of and traffic in marijuana in the country are useless. ANIF President Ernesto Samper Pizano said that it will be impossible to eliminate this socioeconomic problem as long as no one is concerned about the use of marijuana in the United States.

We must not continue to bear the burden of a problem that is not ours, the ANIF president said, adding that the legalization of marijuana in Colombia is not too far away. Samper Pizano added that to mine the marijuana fields on the coast as the commander of the 2d Brigade suggested is a ridiculous idea that in practice would irreparably damage the ecology of the Sierra Nevada.

Samper Pizano said that ANIF has been chosen as the Latin American coordinator of the international alliance to amend marijuana laws. He also said that ANIF will open a library in Bogota with books exclusively related to the topic of marijuana.

FOREIGN MINISTER COMMENTS ON RELATIONS WITH BOLIVIA

PA101424 Lima EXPRESO in Spanish 1 Jul 80 p 14

[Text] Peruvian Foreign Minister Arturo Garcia y Garcia said yesterday that he sincerely hoped that Peruvian-Bolivian relations would not be affected by supposed complaints from Bolivia over the case of the Argentine citizens who were spirited out of Peru across the Bolivian border.

Speaking to newsmen during an interval in the funeral ceremonies for historian Jorge Basadre Grohman, the foreign minister said that Bolivian Ambassador Walter Montenegro Soria had called on him on Saturday. He said that the Bolivian ambassador had expressed concern and asked for more information on the matter. The ambassador said that his country had wondered why the Peruvian Foreign Ministry or the Bolivian Government had not intervened in this case.

"I told him that the Peruvian Foreign Ministry had no prior knowledge of the incident and presented him with the documents authorizing the turning over of the Argentine citizens in Desaguadero by the officers of the Peruvian investigative police to a Bolivian immigrations inspector," the foreign minister said.

REVISION OF HYDROELECTRIC AGREEMENT WITH USSR SOUGHT

PY140310 Paris AFP in Spanish 1850 GMT 12 Jul 80

[Text] Lima, 12 Jul (AFP)--The incoming constitutional Government of Peru will revise the financial aspects of an agreement signed by the military government with the Soviet Union for the implementation of the Olmos hydroelectric project in the northern part of the country. The announcement was made by Nils Ericson, the agriculture minister-designate of Fernando Belaunde's government--to be installed on 28 July--who noted that the financial terms of the agreement are not good for Peru.

The total budget of the project--which includes a hydroelectric plant and the irrigation of at least 80,000 hectares of desert land--is \$700 million but the financial agreement with the Soviet Union deals only with the first stage of the project, which has been set at \$300 million. The first stage includes the construction of a dam designed to hold 111 million cubic meters of water, a hydroelectric plant which will generate 300,000 kw of power, a 19.3-km-long trans-Andean tunnel and the irrigation of 32,000 hectares of land.

Last April the governments of Lima and Moscow signed a protocol concerning the implementation of the project and, on 23 June, a document outlining the details of Soviet cooperation was also signed here. The agreement for the financing of the first stage was to be concluded this month, but the military government--in response to a suggestion by the incoming government--delayed the signing of the agreement.

Ericson said that the agreement provides for the supply of Soviet machinery, equipment and experts under a credit agreement he described as hard. He concluded that since these terms are not good for Peru, a different method of financing will have to be proposed to the Soviet Union and to other friendly governments.

POLICE APPREHEND CUBANS TRYING TO STOW AWAY TO U.S.

PY141613 Buenos Aires LATIN in Spanish 2301 GMT 11 Jul 80

[Text] Lima, 11 Jul (LATIN)--The police reported today that the Cuban refugees in Lima are causing the Peruvian authorities a series of problems since they refuse to be guarded by members of the Civil Guard and have even tried to surreptitiously leave the country by traveling as stowaways to the United States.

The refugees, about 700 of them, have been living in the Tupac Amaru Park for 3 months since the Peruvian Government decided to take them in after the massive occupation of the Peruvian Embassy in Havana. Four of these refugees, including one minor, were arrested at Jorge Chavez International Airport yesterday when they were found on board a LAN-Chile airplane bound for Miami.

According to the police, Roberto Iglesias Zamora, Edilberto Puig and Roberto Izquierdo got into the airport by taking advantage of darkness in the early morning and hid in the aircraft, but were found later when a recount of passengers was made. The source declined to reveal the name of the minor since this is prohibited by Peruvian law.

The Cubans have demanded that the Peruvian authorities obtain visas for them so they may travel to the United States, and have even held hunger strikes in order to exert pressure on the U.S. Embassy in Lima without any positive results.

According to the official report, after being arrested, the four frustrated travelers were handed over to the personnel in charge of guarding the Tupac Amaru camp, where a serious incident took place last night after a policeman did not allow one of the refugees, who was obviously drunk, into the park. As a result, the Cuban--who was not identified--attacked Civil Guard 2d Lt Werner Iglesias Placencia who heads the corps in charge of guarding the park.

This incident was observed by the other refugees who supported their fellow countryman. According to the official report, the guards who were accompanying Placencia were attacked with bottles, iron rods and chairs, among other objects. Cpl Juan Lino Valenzuela of the Civil Guard was wounded during the incident and had to be taken to the police force hospital.

According to sources of the Committee for Civil Defense, which is in charge of coordinating the Cubans' stay in the country, these refugees constantly reject the presence of policemen, taking hostile attitudes toward them, and this has forced the members of the guard to partially abandon the camp in protest of the refugees' behavior.

The report added that once the atmosphere had calmed down, a Civil Guard colonel, who is a member of the defense committee, talked with one of the refugee spokesmen and asked them to give up their belligerent attitude. The same sources reported that the refugees have been responsible for a series of nearly criminal activities as well as street riots.

Additional Arrests

PY141614 Buenos Aires LATIN in Spanish 1834 GMT 12 Jul 80

[Excerpt] Lima, 12 Jul (LATIN)--The police corps which guards the international airport reported that today the desire of four Cuban refugees to travel to the United States as stowaways was thwarted when they were arrested during their attempt to flee this capital.

According to the police report, the authors of this aborted attempt to leave the country were identified as Pedro Reyes, Lazaro Rodriguez, Tomas Penate del Rio and Jorge Elviro Gonzalez Paz who are between 17 - 20 years of age. It was reported that the refugees, who have been returned to the camp where they reside, got into the airport yesterday at midnight after having evaded guards. Two of the refugees surreptitiously boarded a plane of the Brazilian Varig Airlines and the other two hid in an Aeroperu plane.

OIL CONTRACTS WITH U.S. FIRMS RECEIVE FINAL APPROVAL

PY141709 Paris AFP in Spanish 2346 GMT 11 Jul 80

[Text] Lima, 11 Jul (AFP)--The Peruvian military government has given final approval to the renegotiated oil contracts between the Peruvian State Oil Company [PETROPERU] and the U.S. firms Occidental Petroleum and Belco Petroleum. This information was released here today by PETROPERU's Executive President Julio Davila, who explained that these contracts faithfully abide by the basic accords signed with these companies on 1 May.

Occidental Petroleum, which operates in the northeastern jungle, and Belco, which operates on the northern continental shelf, pump out most of the 200,000 barrels which the country produces per day.

According to the new contracts which will be signed by the parties in the coming days, the foreign enterprises will now pay several taxes, from which they had been exempt, by receiving only half of the oil which they produce.

These agreements had been criticized by certain political sectors, especially those of the left, which viewed them as harmful to national interests and favored the nationalization of the firms.

PRESIDENT MORALES CALLS FOR TRANQUILLITY

PY140250 Buenos Aires TELAM in Spanish 2100 GMT 12 Jul 80

[Text] Lima, 12 Jul (TELAM)--A call for understanding and patriotism was made by the chief of the military government, Gen Francisco Morales Bermudez, to the working sectors that have been on strike in the last few weeks in demand of salary increases.

Morales Bermudez emphasized that a government must use good judgment on salary increases, and that a developing country like Peru must first increase its production before it is able to improve its standard of living. He said that if there is no sizable increase in production, salary increases which go beyond permissible limits will create inflation.

In conclusion, the Peruvian president called for national tranquillity in the current situation and emphasized the democratic environment which must prevail in the country during the transfer of power.

PRESIDENT-ELECT PROPOSES 6-MONTH LABOR TRUCE

PA112036 Lima EXPRESO in Spanish 5 Jul 80 p 3

[Text] President-elect Fernando Belaunde Terry yesterday proposed a 6-month labor truce to the union federations and the nation's working class in order to make the transfer of power and the start of the new government as peaceful as possible. Belaunde said the truce, which is not a pact, would be based on "specific measures to be adopted." The president-elect spoke to the press after presiding over the first plenary session of his Popular Party's elected legislators.

Belaunde said: "I believe that this will not be a truce: I believe it will be the natural reaction of the working class in realizing our needs and, at the same time, sharing our objectives to improve the Peruvian people's living conditions." Referring to his party's meeting, Belaunde explained it was a plenary meeting. He expressed confidence that the composition of his parliamentary bloc is the true reflection of the entire country since most of the legislators come from the provinces.

"For instance," the future chief of state said, "out of 26 senators, only 4 are from Lima while the rest come from the provinces."

He added that aside from being a gathering of comrades, the meeting also served as an opportunity for him to personally issue several general instructions, mainly concerning the agreement with the Popular Christian Party [PPC].

In that respect, he noted, "we have adopted an agreement of national interest which we will honor with dignity. Thus, we have consolidated the majority of the Senate and increased our strength in the Chamber of Deputies with the PPC's contribution."

Referring to recent statements by Aprist leader Armando Villanueva del Campo on the opening of a dialogue, Belaunde said he was "very highly impressed."

"I know Mr Villanueva, who was my opponent in the past elections, sent me a message, the text of which I do not yet know, but which was cordial and dignified. I am pleased with it as it will contribute to the proper climate required for the start of the new government," Belaunde said.

He expressed his support for full attendance by the present government at the inaugural, as "it would be quite natural," he noted.

He added, however, "I do not know what it has decided to do," referring to the government of the armed forces.

Concerning the analysis of the 12 years of military government, he said, "We will assess those years with calm and dignity, careful not to disseminate any sort of misinformation."

MORALES WILL NOT ATTEND BELAUNDE INAUGURATION

PY121418 Paris AFP in Spanish 0419 GMT 12 Jul 80

[Text] Lima, 11 Jul (AFP)--President Francisco Morales Bermudez will be conspicuously absent from the ceremony marking the transfer of power to his successor Fernando Belaunde Terry scheduled for 28 July at the Congress.

President Morales Bermudez himself stated today that he will not attend the ceremony, which will be enhanced by the presence of approximately 100 foreign delegations, 9 of which will be headed by their chiefs of state or of government.

I feel, he continued, that beginning with the installation of the national congress (on 27 July) and of the future executive branch resulting from the popular election, the democratic climate must prevail in total democracy. Furthermore, I have no presidential sash to turn over because we have never worn one."

A few days ago, the president-elect expressed his desire that General Morales Bermudez be present at the ceremony when Congress President Oscar Trelles, member of the Popular Action who will also be elected Senate president, will preside over Belaunde's swearing-in ceremony.

BRIEFS

WORLD BANK CREDIT--The World Bank has granted Peru a \$7.5 billion credit to finance technical assistance and engineering projects for a fertilizer plant in Sechura. The project also contemplates research on uranium extraction from phosphoric acid at Bayovar. [Lima Radio America in Spanish 0100 GMT 2 Jul 80 PY]

GOVERNMENT AUTHORIZES POLITICAL MEETINGS

PY101710 Paris AFP in Spanish 1321 GMT 10 Jul 80

[Text] Montevideo 10 Jul (AFP)--Interior Minister Manuel Nunez has reported that the government has authorized political meetings in all cases in which their sponsors or participants have not been proscribed. According to the interior minister, the police must issue a prior authorization for these political meetings. General Nunez noted that he is instructing all police chiefs throughout the country to authorize such meetings. He said that only those citizens whose political activities have been suspended by the institutional act will not be authorized to hold political meetings.

General Nunez added that Uruguay is gradually heading to a normalization of its institutions. Regarding the constitution that will be voted on in November, he said that the armed forces are not trying to impose this constitution on the people, but rather they are opening themselves to all Uruguayan citizens so they may express their own opinions. He noted that the armed forces do not want to retain power and that their only goal is to be members of the COSENA (the National Security Board)--that is, to be in an institution that deals exclusively with national security.

ARMY COMMANDERS DISCUSSES POLITICAL ISSUES

PY141837 Buenos Aires LATIN in Spanish 2200 GMT 11 Jul 80

[By Carlos Banales]

[Excerpts] Washington, 11 Jul (LATIN)--The Uruguayan Army commander in chief, Gen Luis Queirolo, has announced his return to Montevideo after clearing up here some of the mysteries regarding his country's political future in a way which has puzzled his aides and the people in Uruguay.

Queirolo, who arrived in Washington on 30 June and was planning to leave on Monday, will depart tonight from New York and is scheduled to arrive in Montevideo tomorrow.

There he will meet with the confusion which he has aroused, even in the Interior Minister Gen Manuel Nunez, by his statements first to LATIN and 24 hours later to the Uruguayan journalists who accompanied him.

Basically, Queirolo had stated that the Uruguayan political parties will be able to submit more than one candidate for the presidency of the nation for the approval of the armed forces and that former President Jorge Pacheco Areco is definitely banned from being one of these candidates.

He added that the fact that a retired general will be included on the list which the political parties will submit does not mean that this general will have an advantage in the eyes of the military high command, which will choose the single candidate.

According to the reports from Montevideo, Interior Minister Nunez had expressed surprise and some doubts concerning the correctness of the report on Queirolo's remarks; however, the latter told LATIN last night that this agency had provided an accurate version of his statement and he would reassert this on his return to Montevideo.

Queirolo's remarks also surprised some of his aides because the general had chosen to comment in Washington on issues which so far had been discussed only in private. As for the case of former President Pacheco Areco--current Uruguayan ambassador to the U.S.--Queirolo's visit has dissipated the expectations surrounding his possible participation in next year's electoral process.

Among the other candidates who have broad support are Wilson Ferreira Aldunate, who is in exile and wanted by the Uruguayan military courts, who accuse him of maintaining contacts with the extremists, and the retired Gen Liber Seregni, who is in prison under a military court sentence for crimes against state security.

Queirolo indicated that in November 1981 the citizenry will be asked to vote for a single presidential candidate, but before that the traditional Blanco and Colorado Parties can agree on a list of "up to four" candidates, among whom the armed forces will choose one who will be confirmed by the election.

"The military status of a retired general who could be included on the list will not constitute an advantage in the eyes of the armed forces when they choose the one to whom they will give their support," Queirolo said.

There have been insistent rumors about the possibility that Gen Gregorio Alvarez, ret, and Gen Julio Vadora, ret--both of whom are Queirolo's predecessors as army commanders--will be candidates in the coming elections.

Queirolo and his aides, as well as the Uruguayan diplomats in Washington, received immediate reports on the reactions elicited by Queirolo's remarks in Montevideo, and Queirolo repeated his statement to the journalists who accompanied him.

So far there have been no concrete explanations of Queirolo's choice of the time and place to make his remarks. "My statements stand," Queirolo told LATIN last night.

FARMERS' DEBTS TO BE REFINANCED ON INDIVIDUAL BASIS

PY141728 Montevideo Radio El Espectador Network in Spanish 1600 GMT 14 Jul 80

[Text] The Bank of the Republic will seek individual solutions for the refinancing of loans and debts of the farmers. The bank's authorities are of the opinion that each product is affected in a different way and therefore an overall solution cannot be sought. Garlic, onion and vegetable farmers have already asked for the refinancing of their debts.

BRIEFS

IMPORT, EXPORT FIGURES --According to the Uruguayan Central Bank, the country's exports increased by 15 percent during the first 4 months of the year. In the same period, imports increased by 92 percent; thus, the current trade deficit has reached \$245 million. [Montevideo Radio El Espectador Network in Spanish 1600 GMT 11 Jul 80 PY]

GOVERNMENT REITERATES ENFORCEMENT OF FISHING LAWS

PA150128 Madrid EFE in Spanish 2022 GMT 14 Jul 80

[Text] Mexico City, 14 Jul (EFE)--Mexico today reiterated that its decision to enforce its fishing law is irrevocable. Meanwhile, U.S. tuna ships captured in Mexican waters are awaiting a resolution.

On 7 July Mexico said it would capture any pirate ship fishing for tuna within its 200-mile territorial limit. The so-called "tuna war" began last Wednesday when Mexican patrol boats captured a U.S. fishing boat. The United States announced today that it would initiate an embargo on Mexican tuna.

The office of the Mexican foreign relations secretary has stated that the law on fishing by pirate ships will be enforced and that Mexico will decide on defensive measures on the basis of the position of its neighbors.

Carlos Amtmann, president of the national Mexican Importers and Exporters Association, said today that "20 countries have asked for our tuna, so if the United States puts an embargo on the product, then Mexico will diversify its market." Amtmann, like many deputies, agrees that it would not be wise for Mexico to adopt a vindictive position. Mexican deputies have noted that suspending the shipment of oil to the United States makes no sense and would be acting the same way the U.S. giant acts.

Deputy Rangel believes the problem was initiated as a result of U.S. needs for more Mexican oil and for the purpose of setting a precedent on the use of Mexico's shores in order to later try to secure the right to exploit oil reserves in the Gulf of Mexico and in the Gulf of California.

It was reported today that the crews of the captured ships in the Mexican port of Mazatlan, Sinaloa State, are waiting for Mexico's Fisheries Department to issue a resolution tomorrow.

PRESIDENT TO MEET VENEZUELAN, COSTA RICAN LEADERS 3 AUG

PA120350 Mexico City International Service in Spanish 0300 GMT 12 Jul 80

[Text] President Lopez Portillo will hold a high-level meeting with his colleagues from Venezuela, Luis Herrera Campins, and Costa Rica, Rodrigo Carazo, on 3 August in Costa Rica.

The details of the meeting and the topics on the agenda are unknown as yet since they will be (?prepared) precisely upon President Lopez Portillo's passage through those countries during his forthcoming international trip, which includes Costa Rica, Brazil and Cuba. The chief of the Mexican nation will be in Venezuela on 30 July, where he will make a refueling stop.

BRIEFS

AMBASSADORS TO NICARAGUA, AUSTRALIA--President Jose Lopez Portillo has appointed Julio Zamora (Batres) and Jesus Cabrera Munoz (Ledo) as new Mexican ambassadors to Nicaragua and Australia. The two will leave this week to take up their new posts. [Mexico City International Service in Spanish 0300 GMT 10 Jul 80 PA]

RAILROAD CONSTRUCTION--It has been officially announced that 301 km of railroad lines will be built at a cost of 2 billion pesos, which will benefit the Mexican petroleum industry. The lines will be built in southeastern Mexico. [Mexico City International Service in Spanish 0300 GMT 8 Jul 80 PA]

COLUMNIST DECRIES SUPREME COURT RULING ON MONTERIA TREATY

PA141612 Panama City LA REPUBLICA in Spanish 13 Jul 80 p 4-A

[Mario Augusto Rodriguez column: "The Court and 'Monteria'"]

[Text] 1. Confirmation

The facts have confirmed what many of us feared: that the Colombian newspapers--specifically the prestigious newspaper EL TIEMPO of Bogota--not only knew about the [outcome of] the controversial so-called "Monterialtreaty" case before all Panamanian papers, but even before the announcement was officially made. It is opportune to recall that many days ago the newspaper EL TIEMPO published an editorial praising, in an understandably joyous way, the decision of the Panamanian Supreme Court stating that the Monteria treaty did not have to be approved through a plebiscite but only by the majority of the honorable Assembly of Corregimiento representatives. These Colombian newspaper commentaries prompted the Panamanian media to demand information from the Supreme Court. The Supreme Court indicated that although the matter was under consideration it had not yet issued an official ruling on it. However, a few days later, the expected ruling was issued. This ruling fully confirmed what the prestigious Colombian newspaper had already celebrated as a great victory for Colombian interests over those of the Panamanian people.

2. The Search

Since then, I have been anxiously searching for the complete text of the Supreme Court ruling in all newspapers, but I have only found incomplete reports so far. In some of them, it is said that the basis for the Supreme Court decision is the fact that the draft treaty in question does not truly and effectively refer to basic matters on transisthmian canals but to national treasury regulations. This means that the draft treaty agreed on with Colombia is merely a regulation concerning the collection of tolls and taxes, a matter that can be decided by the national government with full authority without consulting the Panamanian people. The Monteria draft treaty would then be understood in this manner: It deals only with the exemption of Colombian ships from payment of fees on the cargo, the mail as well as weapons, ammunitions and equipment aboard warships when they transit the canal.

3. Disagreement

I repeat that I have not read the full text of the Supreme Court decision. I have not read about the abstentions of a minority of the justices, including that of Marisol Reyes de Vasquez and Lao Santizo. Consequently, I am making these commentaries with the understanding their rationale may not respond fully or partially to the truth of the facts. However, if it is true that our Supreme Court views the "Monteria draft treaty" as a simple exemption of taxes and tolls, I would have to express my total disagreement with that opinion even though my criteria lack any juridical and professional validity. To me, it is a matter of commonsense. If it was only an exemption of taxes, there would be no need for the signing of a treaty between two countries: The country granting the exemption would only have to issue the pertinent measures--I do not know if through a law or an executive decree--so that the other nation can enjoy the corresponding privilege. The national government has exempted many foreign firms from paying taxes through legal regulations which have not required the signing of international agreements.

4. Unconditional

But there is another problem: I think that this way of exempting taxes or tolls for the sole benefit of Colombian ships is a flagrant violation of article 19 of our Constitution which states: "There will be no personal exemptions or privileges or discrimination because of race, origin, social class, sex, religious or political ideas." It seems evident that if there cannot be any exemptions or privileges for Panamanians, much less can there be any for foreign nations, firms or persons to the detriment of national interests. Then it would be fitting to demand that the Supreme Court declare the Monteria draft treaty unconstitutional because it establishes exemptions and privileges in favor of Colombian ships without even establishing compensations that explain, much less justify, these exemptions and privileges.

5. Persistence

I continue to think that according to what I know about the Monteria draft treaty, it is a completely unjustified and fully harmful agreement for the interests of my fatherland. I believe so in the first place because it is based on alleged Colombian rights over Panama which do not correspond to the historical reality or the feeling of Panamanian nationality. In the second place, it would represent the assumption of a commitment originally acquired by the United States without consulting Panama as if the United States were agreeing that it had stolen part of the Colombian territory to convert it into a U.S. colony or protectorate. In the third place, no ruler has ever had the right to give part of the heritage of the Panamanian people to another country during this or any other generation. Not even the Panamanian people can claim the right to mortgage the national heritage to the detriment of the future generations. All this does not even mention that the government is trying to give a present to the neighboring nation without receiving any compensation or commitment from it that can explain the privileges and advantages that we are granting.

6. Rejection

It is affirmed that the honorable Assembly of Corregimiento Representatives is the expression of the Panamanian people's power. This assembly already stated that it felt the Monteria draft treaty should be submitted to a plebiscite as stated in article 274 of the Constitution. For this reason, I hope that the 505 honorable corregimiento representatives consult the groups of people they represent so that they will reject the Monteria draft treaty. If the government believes that this treaty is advisable and necessary, it should not be afraid of the community's studying and discussing it. In order to do this, the government must first disseminate the draft as well as the Supreme Court ruling and the reasons for the justices' abstentions widely and thoroughly.

BUILDING CONTRACTORS CHARGE DISCRIMINATION IN CANAL AREA

PA140354 Panama City LA REPUBLICA in Spanish 13 Jul 80 pp 1-A, 6-A

[Excerpts] Hector Ortega, president of the Panamanian Chamber of Construction, stated this week that one of the violations of the Torrijos-Carter treaty is the discrimination to which Panamanian contracting companies are subjected in the Canal Zone and the fact that performance bonds [bonos de garantia] are only valid for U.S. firms. He said this when he announced that the Chamber of Construction was going to hold a seminar this Thursday on the subject of construction contracts in the canal area. The seminar will be held at the Louis Martinez meeting center; with the cooperation of Panamanian public officials, civilian and military representatives from organizations and departments in the canal area and from Panamanian businessmen.

Ortega said that the purpose of the seminar is to provide basic information to Panamanian contractors so that they can participate in construction bids and conduct business transactions with civilian and military departments in the canal area.

LIBERAL PARTY VOTES TO PARTICIPATE IN ELECTIONS

PA150245 Panama City Televisora Nacional in Spanish 2315 GMT 14 Jul 80

[Text] The Liberal national leadership, headed by Dr Arnulfo Escalona, met yesterday in Aguadulce to decide on the party's participation in the election to choose one-third of the legislators in the legislation commission.

Those favoring participating in, or abstaining from, the election presented their arguments at the meeting. The majority not only recognized the obstacles that must be overcome, but also the need to confront them. Finally, the leadership decided by 67 votes to 2 to participate in the September elections.

Practically all the members of the national leadership attended the meeting and, for the first time since the election of Dr Arnulfo Escalona to the chairmanship of the party, a climate of camaraderie and unity was observed. In a worthy gesture, the leadership invited Eng David Samudio to take a seat at the chairmanship table. Samudio accepted the invitation.

The Liberal leadership announced that the provincial directorate will meet in the near future to choose their own candidates.

Commentary on Liberal Party Decision

PA150337 Panama City TELEVISORA Nacional in Spanish 2315 GMT 14 Jul 80

[Station commentary]

[Excerpt] Some time ago, we praised the decision of the Christian Democrats to participate in the elections. We do so again tonight concerning the decision adopted by the Liberal Party.

It is healthy for the country, for the improvement of the democratic institutions, for the achievement of a true democracy as expressed in the slogan of a political party. For the opposition, for the Panamanians opposed to this government and exercising their right to be in the opposition, to participate in the electoral debate and to express their opinions and support at the polls for the candidates of their choice.

To those who wish to change the present government, the elections, regardless of how imperfect or deficient they may be, are not the only alternative because there is always the costly way of violence and subversion, but they are the only civilized instrument to produce a change with the active and militant participation of all Panamanians.

In this respect, the decision of the Liberals is not only politically suitable as an expression of active opposition to the government, but patriotically responsible as it opens to a large sector of the Panamanian community a way to express itself politically.

COSTA RICA

GOVERNMENT NOT TO JOIN INTERNATIONAL GROUP ON EMBASSY CASE

PA141900 San Jose Radio Reloj in Spanish 1730 GMT 14 Jul 80

[Text] President Carazo was today concerned over the situation of our embassy in El Salvador. The assistant foreign policy director was sent today to help the Costa Rican charge d'affaires to draw up a list of persons wishing to leave for other countries.

We are not going to meddle in the affairs of other countries. In light of international laws, Costa Rica cannot form part of any committee placing El Salvador's case in the hands of the respective international bodies, Bernd Niehaus has said. Acting Foreign Minister Bernd Niehaus said: We can attend to Salvadorans along humanitarian lines or we can interpret the situation of those at the Costa Rican Embassy as indeed political now because they could face political repercussions if they leave it. The Salvadoran Government has expressed its willingness to grant safe-conducts to the persons wishing to leave for other countries.

Niehaus will now report on the dispatching of the assistant foreign policy director to the Costa Rican Embassy in San Salvador: [Niehaus--presumably recorded] I have asked an official of this Ministry, the assistant foreign policy director, to travel to El Salvador. He is leaving now, at noon, to cooperate with our charge d'affaires in San Salvador in a prompt solution of the problem. This is what I can say in this regard. Any questions? [end recording]

We just listened to Dr Bernd Niehaus discuss the case of the Costa Rican Embassy in San Salvador.

CARAZO DENIES RECEIVING WEAPONS FROM NICARAGUA'S BORGE

PA142210 Panama City ACAN in Spanish 1858 GMT 14 Jul 80

[Text] San Jose, 14 Jul (ACAN-EFE)--Costa Rican President Rodrigo Carazo today denied having received weapons as a gift from Sandinist Comdr Tomas Borge, interior minister of Nicaragua. Carazo stated he does not use weapons and does not accept them as gifts. He was referring to a statement attributed to Borge, published in LA PRENSA of Managua and also published in the San Jose afternoon paper, LA PRENSA LIBRE, to the effect that Borge had given weapons to former Public Security Minister Juan Jose Echeverria Breailey and "President Carazo, because, as president, he has a right to defend himself as he deems most appropriate."

In a letter addressed to the editor of LA PRENSA LIBRE, the president said today that "since 8 May 1978 (when he took over), I have asked the guards of the presidency of the republic not to use weapons. I do not accept an excessive display of arms and I do not have escorts or bodyguards." He added: "I frequently like to drive my car and sometimes, in the morning, I travel alone, without an aide or a driver."

Carazo also said that "as long as I am president, the personal protection of the president will be done in a modest manner, and only because I do not have the right to be careless in the face of risks." Carazo said that he will never be grateful or pleased with a gift of a weapon. "Therefore, I do not accept them, and if this were to happen, I would immediately register the weapon for official use and would never keep it as personal property."

FORMER SECURITY MINISTER FORBIDDEN TO LEAVE COUNTRY

PA122014 Panama City ACAN in Spanish 1656 GMT 12 Jul 80

[Excerpt] San Jose, 12 Jul (ACAN-EFE)--The Costa Rican judicial authorities have issued instructions preventing the departure from the country of former Public Security Minister Juan Jose Echeverria Brealey, in view of the charges against him based on the confiscation of several of his weapons. The court in charge of the case issued the order as a "precautionary" measure, in view of the procedures underway against the former official, once considered the "superminister" during his tenure, which concluded late in June when he resigned the post.

The charges against Echeverria were filed after the confiscation of 18 firearms which, according to him, belong to his private collection. The charges were filed by the attorney general's office.

NICARAGUAN BORDER TO BE OPEN FOR FESTIVITIES

PA141525 San Jose Radio Reloj in Spanish 1200 GMT 14 Jul 80

[Text] The Nicaraguan Embassy in Costa Rica has reported that the borders are open to all persons wishing to attend the festivities to commemorate the first year of liberation of the people. Previously it had been announced that the borders would be closed from 17 to 23 July. Asked if the Nicaraguans now living in Costa Rica who have not visited their country in 1 year would face any problems if they returned now, the embassy responded that they will have no trouble leaving and will not be investigated, as some believe, if they enter [Nicaragua] legally.

CARAZO, MONGE MEET, DISCUSS VARIOUS ISSUES

PA110332 San Jose Radio Reloj in Spanish 0100 GMT 11 Jul 80

[Text] Luis Alberto Monge Alvarez, National Liberation Party candidate for the 1982 election, has asked for respectful and loyal relations with the Legislative Assembly during a meeting he held with President Carazo for 3 hours this morning. The president thinks the deputies should look to themselves since he thinks relations between the two branches are not the result of one side's actions.

Another point touched on by Monge Alvarez refers to the need to produce wealth. President Carazo said this is what the government wants but Monge retorted that there has been a very serious drop in national agricultural production. A third topic was the high cost of living, which was denounced by Monge. The president said external factors such as oil prices are causing the hike in staple prices. Monge also called for the cancellation of the sales of the Pacific Cement (?Company). Carazo promised to study the proposal and write him in reply.

Monge Alvarez told President Carazo that in view of the lack of equipment to build roads, 30,000 fanegas of coffee were lost during the last harvest. Carazo agreed with him.

Regarding the arms traffic, another topic that Monge brought up, the president said the government is not promoting it. He said everything possible is being done to investigate the case. The president totally agreed with Monge Alvarez on the need to fight crime more effectively as a way to ensure the greater safety of the citizens.

Monge Alvarez does not agree with the government's foreign policy. He said we should follow the principle of self-determination of peoples. He also criticized the permission given to the PLO to establish office here.

President Carazo fired back saying his information was mistaken. He promised to put him up to date in a letter in the next few days. The president agreed with Monge on self-determination of peoples and human rights.

Monge and Carazo said they agree on the validity of moral values and on the need for a national consensus to forestall chaos. These two points were also raised by Monge. Yet the president said the ethical crisis among public officials is a very delicate issue but since the national interest is at stake he will first investigate Monge's report in detail before discussing the situation.

BANANA COMPANY NOT TO BARGAIN WITH ILLEGAL STRIKERS

PA110338 San Jose Radio Reloj in Spanish 0100 GMT 11 Jul 80

[Text] A committee representing the banana company, including regional manager Eduardo de la Espriella, Legal Department director Guillermo (Bowen), administrative director Luis Cardona and public relations director Alvaro Madrigal went to the Labor Ministry this afternoon to discuss their position on the strike which began this morning. The company representatives told Minister Serrano Pinto that as is public knowledge, word had been given that the Labor Ministry would try to settle the dispute which finally erupted.

The company representatives told the minister that during their talks with the representatives of the Golfito Workers Union [UTG] they had promised to deliver a letter this afternoon on the pay under contract work which the union could use as a basis for bargaining so that the cases of those who think they are underpaid might be reviewed and possibly a raise granted. The banana company had promised to present the list today and the UTG was supposed to wait until today for the presentation of the document but since the commitment has been broken the company doesn't have to do anything, the company representatives have said.

The strike called early this morning broke the promise made and shows what these people are like since they have gone on strike although talks were underway. We point out that in view of the wildcat strike, the company believes it has no commitment and so will not negotiate with illegal strikers, the banana company representatives told Minister Serrano Pinto.

The committee that visited the labor minister told him to ask the civil guard to take action if the strikers try to isolate the administrative personnel of the many Golfito company departments. We know that barricades have been erected, the company officials said, and it has been reported that officials cannot leave their homes to go to the office. We hope that the minister will use the soldiers to avoid this type of confrontation, one company official said.

No Pay for Strikers

PA111629 San Jose Radio Reloj in Spanish 1200 GMT 11 Jul 80

[Excerpt] Alvaro Madrigal, spokesman for the banana company, has announced that the workers on the strike in the south region will not be paid back salaries since the strike was declared illegal yesterday afternoon. He said that the strike will fail because many workers are not participating in it and have secluded themselves in their homes fearing reprisals from the leaders.

The workers are demanding salary increases and the rehiring of employees recently dismissed from the firm.

Acceptance of Serrano Mediation

PA141442 San Jose Radio Reloj in Spanish 1200 GMT 14 Jul 80

[Text] The banana workers have accepted mediation by the labor minister. The Golfito Workers Union (UTG) has sent a telegram to Labor Minister German Serrano Pinto indicating that the banana workers will accept his mediation or any other type of arrangement to end their strike, which is in its fifth day. The 5,200 employees of the banana company are demanding salary raises and the reinstatement of dismissed fellow workers. The company was reiterated that it will not negotiate until the workers end the strike which has been declared illegal by the labor courts in Golfito and Osa. The court ruled that the conciliation proceedings provided for by the country's laws had not been exhausted.

The UTG said the strike will not be called off and that, therefore, no one should harbor any illusions.

The labor minister reportedly has not yet learned of the contents of the telegram sent by the UTG Saturday. However, he may give a response today when he returns to his office.

The situation was calm yesterday at Golfito, Coto and Palmar. Even the barricades have been lifted. [Administrative director] Luis Cardona said that the strike-related losses amount to 8 million colones. A total of 11 million colones will be lost weekly, when the value of the bananas and the taxes have been taken into account.

The legal department of the General Confederation of Workers [CGT] will appeal the resolution declaring the strike illegal today, CGT Secretary General Jesus Campos said.

EL SALVADOR

REPORTAGE ON COSTA RICAN EMBASSY TAKEOVER CONTINUES

Peasants' Frustrations

PA141340 San Jose Radio Reloj in Spanish 1200 GMT 14 Jul 80

[Text] The situation at the Costa Rican Embassy in El Salvador, which has been occupied since Friday by some 100 peasants led by the 28 February People's Leagues [LP-28], apparently became complicated yesterday afternoon when the refugees expressed desperation over the confinement, the heat and the lack of food. The discontent and probable decision of the peasants to leave the diplomatic offices forced the LP-28 leaders to hold emergency meetings with the occupiers in the embassy's small rooms.

No Talks Yet

PA141341 San Jose Radio Reloj in Spanish 1200 GMT 14 Jul 80

[Text] San Salvador--Jose Leoncio Pichinte, the top leader of the 28 February People's Leagues [LP-28] has reported that the Costa Rican Government yesterday reiterated its offer of asylum to the peasants through Jorge Matamoros, its charge d'affaires. Pichinte added that the Costa Rican Government also ordered Matamoros to obtain food for the refugees and to assist them in general. We are very happy with Matamoros. We think he is an attentive and very reasonable man, the leader of the LP-28 occupiers said.

Pichinte said that no talks have begun yet to seek a solution to the problem and it looks quite unlikely they will begin before Tuesday. The diplomatic commission, with which we seek to negotiate our demands, has not been created yet, he added. The Venezuelan and Mexican ambassadors are apparently in consultation with their governments to decide if they will participate in the negotiations, the LP-28 leader noted. He (?fold) AFP it will be difficult to solve the case of the Costa Rican Embassy and even formalize the requests for asylum as long as the talks have not begun.

No Plans To Leave Country

PA141602 Panama City ACAN in Spanish 1445 GMT 14 Jul 80

[Text] San Jose, 14 Jul (ACAN-EFE)--The peasants who have been occupying the Costa Rican Embassy in San Salvador since Friday wish to leave the embassy; but have no plans to leave El Salvador, according to reports reaching here today. The occupants, mostly women and children, insist they can no longer tolerate the crowded conditions or the needs they are facing. The Costa Rican Government has given notice that it has granted political asylum to the peasants, who are members of the 28 February People's Leagues (LP-28), but the peasants are undecided.

According to the reports reaching San Jose, the occupants are no longer obeying the leftist leaders who encouraged the embassy takeover. A favorable solution to the problem is expected sometime today.

The charge d'affaires of the Costa Rican Embassy Jorge Matamoros Lorio, who is currently in charge of the embassy, said that "Costa Rica is willing to accept all the peasants who occupied the embassy, but apparently none is willing to go to our country."

Government Offer of Protection

PA150040 Paris AFP in Spanish 0024 GMT 15 Jul 80

[Text] San Salvador, 14 Jul (AFP)--The Salvadoran Government guaranteed tonight that it will grant complete protection to the 102 peasants who sought refuge last Friday at the Costa Rican Embassy in San Salvador. In an official communique the authorities offer the peasants the necessary facilities so that they can, if they wish, remain in the country.

The refugees requested political asylum in Costa Rica.

Details of Government Communique

PA150336 Paris AFP in Spanish 0157 GMT 15 Jul 80

[Excerpt] San Salvador, 14 Jul (AFP)--The Salvadoran Government gave guarantees here today to the 102 peasants (including 58 children and 25 women), who have been occupying the Costa Rican Embassy in San Salvador since last Friday, that it will grant them complete protection.

The 5 leaders of the peasants and members of the 28 February People's Leagues (LP-28) affirmed that they sought refuge in the embassy to "denounce the repression of the armed forces in the rural zones" and to request political asylum in Costa Rica. For its part, the government announced today in a communique that it will grant the peasants protection, medical assistance and foodstuffs and even a place to establish themselves if they choose to remain in El Salvador.

The government communique also condemns the LP-28 for the occupation of the embassy during which an embassy guard was killed. "The most exalted of the Marxist organizations of the country is renowned for its daring actions and has been universally criticized for the occupation of the Spanish Embassy last March," the government stated.

"The Salvadoran people repudiate this organization for its terrorist methods and, above all, in the case of the occupation of the Costa Rican Embassy for having used old men, women and children in an inhumane manner," the note adds. "It is tragic that the LP-28 claims to defend human rights while openly violating them at the cost of humble persons who are virtually prisoners inside the embassy."

Meanwhile the situation in the embassy where the refugees are crowded has improved considerably Monday night after a 2-day supply of food and medicine was received. An International Red Cross representative is staying at the embassy.

Yesterday the peasants were discouraged and wanted to leave the embassy, particularly when Costa Rican Ambassador Alejandro Alvarado left for his country. Tonight, however, a member of the LP-28 speaking on behalf of the peasants said that their morale has improved because they know that "next week they will be in Costa Rica." He added that "Ambassador Alvarado called us today by telephone from San Jose to state that Costa Rica is currently making all the arrangements to receive us."

Tomorrow morning the "LP-28 negotiation committee" will meet with the ambassadors of Panama, Venezuela and Mexico, the Spanish charge d'affaires and Costa Rican spokesman to discuss other aspects of the peasants' demands, the LP-28 spokesman added.

Acceptance of Costa Rican Asylum

PA150215 San Jose Radio Reloj in Spanish 0100 GMT 15 Jul 80

[Text] San Salvador--Over 100 Salvadoran peasants, mostly indigents, occupying the Costa Rican Embassy in this capital, today decided to accept the offer of the Costa Rican authorities to travel to that country. The peasants, members of the Rural Dwellers Committee directed by the revolutionary 28 February People's Leagues (LP-28), occupied the Costa Rican embassy last Friday amid shooting which claimed the life of an embassy guard.

DEPUTY FOREIGN MINISTER REPORTS MEXICAN RELATIONS COOLING

PA120259 Panama City ACAN in Spanish 0000 GMT 12 Jul 80

[Text] San Salvador, 11 Jul (ACAN-EFE)--Salvadoran Deputy Foreign Minister Alejandro Gomez Vides said here today that relations between Mexico and El Salvador had "cooled" in recent weeks. The official added that the cooling of Mexican-Salvadoran relations is caused by the "pressure of leftist Mexican groups" on the government.

Gomez Vides also said that El Salvador and Honduras had agreed to request an extension of the stay of OAS military observers in the demilitarized zone between the two nations. The border region of some 460 sq km is disputed by the two countries which, in 1969, fought a 100-hour war provoked by population problems.

Religious groups have accused the Salvadoran Army of massacring 600 peasants from the eastern part of the country, close to the demilitarized zone, as the peasants apparently tried to escape into Honduran territory, fleeing from political violence in El Salvador.

"The presence of the OAS military observers is our best guarantee that nothing of this kind has occurred in this region," the Salvadoran deputy foreign minister said. "They (the observers) are the best witnesses of the falsehood," spread by leftist groups, Gomez Vides said.

The report was originally spread by clergymen in the Santa Rosa de Copan diocese in Honduras, and even the Honduran Army was accused of having participated in the alleged massacre, when it did not allow the Salvadoran peasants to enter Honduran territory.

This statement has been rejected by the Honduran Government. Meanwhile, the Salvadoran Government has also denied the alleged massacre.

MORALES EHRLICH: JUNTA WILL NOT PERPETUATE ITSELF

PA120212 Panama City ACAN in Spanish 2110 GMT 11 Jul 80

[By Rosendo Majano H.]

[Text] San Salvador, 11 Jul (ACAN-EFE)--The Christian Democratic lawyer, Jose Antonio Morales Ehrlich, member of the Salvadoran revolutionary junta, has said that the junta, made up of three civilians and two military officers is not thinking of perpetuating itself in power. He announced the future appointment of a central elections council [consejo central de elecciones], the top electoral organization in the country, which will start the preparations for the elections in which the people (?will choose their leaders).

Speaking on radio and television last night, the leader recounted the government actions for the benefit of the people in this shaken territory. Morales Ehrlich praised the activity of his party, the Christian Democratic Party [PDC], which assumed power here 6 months ago in the search for peace. The PDC obtained the representation of two members in the revolutionary junta, Jose Napoleon Duarte and Morales Ehrlich, after a cabinet crisis that occurred on 2 January forced the resignation of Guillermo Manuel Ungo, lawyer of the National Revolutionary Movement; Roman Mayorga Quiroz, former rector of the Central American University; and Mario Andino, representative of the private sector, from the junta.

Morales Ehrlich urged all sectors to cooperate in the development and democratization of El Salvador. He once again called on the clandestine groups which are seeking political power through armed struggle to reflect and avoid the violence which, according to the superior council of the Jose Simeon Canas Central American University run by Jesuits, have left 4,000 dead in the past 2 years.

The extreme leftist and rightist groups have harshly criticized the PDC for becoming allied with the military. However, many sectors have described certain PDC actions as very positive. Morales Ehrlich even spoke about the possibility of electing a constituent assembly in order to direct El Salvador toward the democratic way. He listed the decisions made by the ruling junta including the agrarian reform, the nationalization of the banks and the marketing of coffee and other exports.

He added that thanks to the agricultural measures of the present government, the production of grains, cotton, coffee and sugarcane will be similar to that of the previous year despite all the difficulties that have been faced.

Further Details

PA130215 San Salvador LA PRENSA GRAFICA in Spanish 12 Jul 80 pp 24, 25, 26

[Speech by government junta member Jose Antonio Morales Ehrlich on national television network, 10 July 1980]

[Excerpts] At this moment the government is engaged in a process of pacification and we are decidedly going to expand it. We have to overcome violence.

This nation cannot continue to bleed to death. This nation has the right to live in peace, but not the peace that means the subjugation of the people by force so that they cannot speak. It means the peace that includes all the conditions in which the human being can work, develop and project himself in peace and tranquillity; that permit human beings, Salvadorans, to express themselves; to participate and to express their opinion in a climate of respect for what they do and what they say, which will be part of a framework accepted by the majority of the people.

Let us create a democratic and legal system in which we can work in peace, without violence, in which there is room for all of us. We will all be respected and will make ourselves heard and all of us will participate in the construction of this new society. With this I wish to tell you that in order to attain peace this government has to use all the methods at its disposal and I wish to make myself clear, ranging from the methods of persuasion, which are the ones we want to use most of the time to convince everyone of the need for peace, to certain measures of social control, such as propaganda, the solution of labor injustices and the solution of economic injustices to coercive measures and military methods.

Gentlemen, just as we want all Salvadorans to find the path of peace voluntarily, with those groups whose only language is violence, one must use coercive measures and, with those groups whose only language is arms, one must also use military methods.

However, I also wish to tell you that we are open to dialogue. This government has never really wanted to win a war. What it has wanted is to establish peace and we have pledged to do this.

We want to reach an understanding with all sectors of the population. We have already begun talks with industrialists and with religious sectors. We wish to talk with all forces. Why, gentlemen? Because we are going to make peace with all of you and I make an appeal in the name of the junta to all those who want peace in this country: Let us join forces and struggle together to begin a campaign of national pacification and thereby demand, through the clamor of a whole nation asking for peace, respect for the people and elimination of violence so that all Salvadorans can truly live better.

This government is also promoting a platform of participation. We do not want a dictatorial system. We do not want a simple economic recovery in which man is not taken into consideration. Nor do we want a collectivism in which one is not permitted to work for the sake of economic recovery, in which neither the peasant nor the worker is permitted to participate. We desire a true democracy based on a system of popular participation. This participation is based on the actions of man through an analysis of his problems and his needs in order to find solutions together, so that with everyone's contribution we will generate the actions of the government, the destiny of the country and the construction of this society. However, one participates to the same extent that one contributes. One gives work, energy, ideas, participation and one also participates when one receives. One receives profit, crops, goods and services. In this system we are promoting the participation of all the people in the construction of their destiny in every field: the economic, social, political and cultural fields.

Therefore, you see that in the agrarian reform system and in many factories the peasants and workers have a direct participation in the management of those factories. The profits which those factories produce are also for them. However, the worker and the businessman also participate when they promote a factory and employ just labor-employer relations to invigorate the industry.

This government also wishes to break with the past. It wants to end the corruption which has existed in this country and we are going to be inflexible and drastic with the corrupt. This coming week we are going to establish an anticorruption commission under the jurisdiction of the attorney general of the republic and it will be given the means and the power to thoroughly investigate and punish the corrupt. We cannot permit this country, especially in public administration, to have persons who are stealing from the state, stealing from the peasants or taking advantage of a government job to ask for commissions or graft. Gentlemen, I repeat, we are going to be harsh with the corrupt and we expect everyone to help in this. You, my dear friends, help not only by being honest but by preventing others from stealing from the state or from their fellow citizens. We have to set the standard and honesty in our daily life and in performing our government jobs. We want respect for the law to return to this country. We want to strengthen the legal system.

We have had situations which were the result of violence, especially in the last few days when the law was not respected, when the thing to do was to act in a de facto manner. Gentlemen, that is why I said a while ago: We are going to make the labor [as published] law more dynamic so that anyone who wishes to operate within the law will have the facilities and judicial backing because there will be no opportunities for those who want to use strongarm methods, to act in a de facto manner. That is, we are going to reestablish respect for the law, a state of law. We are making great progress in this respect. We believe that in the near future this will be consolidated.

Finally, the revolutionary government junta wishes to establish a democratic system in this country, and not just an economic and social democracy which we have mentioned, but more specifically, a political democracy. We want the people to begin directing their own destiny and this includes the election of their own authorities. This administration is transitional. We are advancing toward governments elected by the Salvadoran people. This is part of this opening. We are heading that way. We are not going to perpetuate ourselves in power. The revolutionary government junta is transitional and is heading toward the establishment of a popularly elected democratic government. Therefore, in a few days we are going to select the members of the central election council who will begin to draft an electoral law which truly satisfies the desires of the Salvadoran people. They will review the electoral register so that we will have no more corruption here and the people can have faith in their vote and this democratic system and finally, so that we will attain constitutional order through a constituent assembly and subsequent elections of national government officials.

GUATEMALA

COLUMNIST COMMENTS ON U.S. AMBASSADOR ORTIZ' REMOVAL

PA140347 Guatemala City PRENSA LIBRE in Spanish 5 Jul 80 p 10

["Cactus" column by Alvaro Contreras Velez: "The Removal of Frank Ortiz"]

[Text] U.S. Embassy officials have confirmed the removal of Frank V. Ortiz as chief of the diplomatic mission to the local press, explaining that "it is part of an agreed-upon rotation in the diplomatic field and not for any other reason." This simply closes the first chapter of a story which we have told before ("Cactus," 3 July), and which has been known in Guatemala since May.

The second chapter, which shows signs of intrigue and suspense, revolves around the person who will replace Ortiz. The appointment of George Landau, who is currently in Chile, has been termed "mere rumor" by a U.S. Embassy spokesman in Santiago, Chile.

In addition, more than a rumor and more like the announcement of a horror film, it has been learned that James Cheek, who left an unpleasant and bitter impression on Guatemala, has requested the post, so that, together with White and Pezzullo, they can complete the team of human rights activists in charge of "trying something new" in Central America.

So far, this has been mere speculation. However, some U.S. citizens who live in Guatemala have been informed about this in the form of a "confidential report" by friends in Washington close to the "human rights czars."

Up to this moment, neither AP, UPI nor any other known news agency has reported anything to this effect, which would be bad news for Guatemalans.

According to UPI, which was the first to report the removal of Frank V. Ortiz (PRENSA LIBRE, 30 Jun), the virtually ousted ambassador sent a message to Edmund Muskie, U.S. secretary of state, in which he warned that "Guatemala is expecting a bloodbath and the extreme rightwing does not need much coaxing to unleash a mass extermination of groups considered to be leftwing."

The note to which UPI refers, which it took from an article carried by the New York TIMES, further says, "My greatest fear is not so much that the leftwing might seize power in Guatemala, but that the most backward elements from the rightwing might unleash a still greater wave of terror."

Ortiz said that "developments in Nicaragua and El Salvador and unmistakable signs of growing support from Cuba--and probably, more recently from the USSR--have encouraged the extreme leftwing and made it very improbable that it will now accept a dialogue, concessions or participation in power."

Anyway, according to the activists entrenched in the White House and State Department, Ortiz did not live up to his position. Instead, he was friendly, conciliatory and willing to favor peace with Guatemala and the Guatemalans. It is obvious that this precipitated his removal, less than a year after taking over the diplomatic mission.

Of course, how long he stayed is not important. If Ortiz was not right for the position, President Carter could have removed him 2 months after his arrival in Guatemala. What is disturbing and worrying is what is behind this change.

In other words, Frank V. Ortiz, as ambassador to Guatemala, "did not succeed in his efforts" to have in Guatemala the "harmony" and "human rights" already achieved by the U.S. proconsuls in Nicaragua and which they are about to achieve in El Salvador.

POLICE CHIEF, STUDENTS KILLED IN SEPARATE INCIDENTS

PA141757 Panama City ACAN in Spanish 1737 GMT 14 Jul 80

[Text] Guatemala City, 14 Jul (ACAN-EFE)--A high-ranking police chief and his 3 bodyguards and 4 university students were shot to death today in Guatemala City in two separate armed incidents which also left 16 students wounded. Col Miguel Angel Giron Natareno, chief of the IV Corps of the Guatemalan Police, was murdered together with his three bodyguards by unidentified persons in the 1 July neighborhood.

Subsequently armed men opened fire on the San Carlos National University, killing 4 students and wounding 16.

HONDURAS

COMMITTEE REPORTS URANIUM NOT EXPLOITABLE

PA142323 Panama City ACAN in Spanish 1600 GMT 14 Jul 80

[Text] Tegucigalpa, 14 Jul (ACAN-EFE)--It was reported here today that the special committee investigating the existence of uranium in Honduras has reportedly concluded that the metal is available in noncommercial quantities. The government had appointed this committee to clarify a statement made by the mine workers union of el Mochito, located in Santa Barbara Department in the northwestern part of the country. The union had claimed to have proof that the concessionaire, "Rosario Resources Corporation", has been extracting uranium.

This company is not authorized to carry out this type of operation and it is believed that once the official report is submitted, there could be sanctions imposed on the company.

The investigating committee is made up of representatives of the Honduran engineers association, the national university, the Honduran newsmens association, the mine workers union, the national government and foreign technicians Jorge Alberto Muset from Argentina and John Svanholm from Sweden.

The radioactivity test results have been such, according to Muset, "as would discourage any investigator."

Nevertheless, the measurements made confirm the report made by the union's president, Cirilo Coto, who stated that in El Mochito there is uranium in a 50 - 1 million ratio. [as received]

"A deposit does not have commercial potential if the ratio is less than 2,000 - 1 million, and we have only found 40" [figures as received], Muset said.

"Therefore, the amount found here is well below the minimum required for exploitation," Muset stressed.

The committee will not limit its investigation to uranium. It also has the authority to investigate the export of metals other than lead, zinc, silver or cadmium, which are the ones the "Rosario Resources Co." is authorized to export.

SOCIAL SECURITY INSTITUTE WORKERS OCCUPY OFFICES

PA142308 Paris AFP in Spanish 2131 GMT 14 Jul 80

[Text] Tegucigalpa, 14 Jul (AFP)--Hundreds of workers today occupied the installations of the Honduran Social Security Institute here to demand better wages for all workers of the institute.

The labor leaders told AFP that "the current wages are not consistent with the ever-increasing cost of living.

"The government is constantly approving requests for increases in the prices of main staples and this limits our buying power," they noted.

It was learned that the Honduran Social Security offices in other towns of the country also reported strikes, and personnel were only handling emergency cases.

NICARAGUA

COMMANDER BORGE VIEWS CENTRAL AMERICAN SITUATION

PA120359 Managua Radio Sandino in Spanish 1800 GMT 11 Jul 80

[Text] Panama City--Nicaraguan Interior Minister Tomas Borge said the Nicaraguan revolution has brought a new dynamism to the people's struggle and changed the political geography in Central America. In statements to the Panamanian magazine DIALOGO SOCIAL Borge said that Nicaragua is the creator of a new international reality that has changed the Central American political situation and has influenced the national liberation movements of the countries in the region.

He placed the revolutionary process in El Salvador and Guatemala within this context and, after saying that Nicaragua will maintain the principle of nonintervention and free determination of peoples, the commander of the Sandinist revolution praised the unity of the revolutionary forces in those countries which he described as the key to victory.

Borge, one of the founders of the Sandinist National Liberation Front, said that the participation of the Christians, prior to and following the revolutionary triumph had been very positive.

Referring to Panamanian-Nicaraguan relations, Borge explained that they are improving in spite of attempts to the contrary. He said that Nicaragua has an unconditional friendship with the Panamanian people and said that if the campaign against Nicaragua gathers strength in Panama, they would continue having the same respect and affection for this people.

regarding the Nicaraguan situation, the minister emphasized the expansion and representation of its institutions, especially the State Council which he said represents all the sectors of Nicaraguan society including the private sector.

JUNTA MEMBER REAFFIRMS COMMITMENT TO HUMAN RIGHTS

PA110304 Panama City ACAN in Spanish 2250 GMT 10 Jul 80

[Excerpt] Managua, 10 Jul (ACAN-EFE)--Nicaragua reiterated today that its government "is very interested in full respect for human rights." Rafael Cordova Rivas, a member of the government junta, said during a news conference that Nicaraguan authorities have been instructed not to withhold from relatives information about the site on which persons are being held in custody. The government leader also noted the need for the respective authorities to inform relatives when a prisoner is transferred from one jail to another.

Cordova Rivas said there have been cases of some incompetent authorities and of "the problem of customs that existed in the past" at times when it has been necessary to handle situations requiring respect for human rights. "However, it is the government junta's intention," he added, "to have human rights in Nicaragua respected to the full extent of the term."

To illustrate, Cordova Rivas said the Nicaraguan Interior Ministry has issued "2,400 orders for human rights to be respected." "It is obvious," the junta member said, "that these orders are being carried out because there are fewer complaints and cases."

Cordova Rivas talked with newsmen along with Leonte Herdocia, national commissioner of human rights and humanitarian affairs.

ORTEGA ON FOREIGN MINE COMPANIES' INDEMNITY CLAIMS

PA111244 Managua EL NUEVO DIARIO in Spanish 3 Jul 80 p 3

[Text] Comdr Daniel Ortega, a member of the government junta, yesterday confirmed that several foreign companies which exploited our mineral deposits in the past have claimed indemnification from Nicaragua after our government nationalized all the mines in the country.

He said that it is true that officials of those three companies, including one from Canada, are making indemnification claims to the revolutionary government but that at the same time they have to hear our claims.

He specifically indicated that our demands to those companies are related to the real taxes that they did not pay for so many years, to the physical harm that they caused to the Nicaraguan mine workers and to the very low wages they paid those workers for decades.

All of this has to be the object of lengthy discussions; therefore, it is a problem that must be analyzed thoroughly, he stressed.

As is known, for more than half a century, the foreign mine companies relentlessly exploited our natural resources leaving only one thing: hundreds of workers ill with silicosis and tuberculosis.

ORTEGA ANSWERS QUESTIONS ON 'DIRECT LINE' PROGRAM

PA122330 Managua Radio Sandino in Spanish 0200 GMT 11 Jul 80

["Direct Line" program with Commander of the Revolution Humberto Ortega Saavedra, commander of the Sandinist National Police, and program announcer Freddy Rostran Arauz--live]

[Excerpts] [Question by William Trujillo] The authorities have said repeatedly that our government is eminently Sandinist and have always denied they are Marxist-Leninist. Commander Ortega: Can you explain the differences and similarities between Sandinism and Marxism-Leninism?

[Answer] In the first place, I would like to tell Mr Trujillo that we have never denied that we are Marxist-Leninists. We have always declared that we are Sandinists, but we have never denied that we are Marxist-Leninists. Sandinism is the political, ideological and revolutionary force that has moved this process, reflected our history, our struggle, and our liberation process from the beginning. The exploiters and the oppressors deserve a reply from the people who, although they have been oppressed and exploited, have never resigned themselves to being so and have struggled against being so. That is why we arrived at 19 July.

Therefore, Sandinism, which was born of the struggle against the U.S. expansionism of the last century, which was born of the struggle against imperialism during this century, Sandinism, which was born of the struggle against exploitation and oppression, reflects not only the contribution of our own historical process, but also the contribution of all of humanity, which struggles against the forms of exploitation and oppression that imperialism imposes. In this sense, Sandinism is not only nurtured by our own historical and national wealth, but also from that wealth of the entire humanity, to which we also belong. And the name of Marxism-Leninism plays a vanguard role in the struggle against exploitation and oppression. In this sense, we are (?friends).

[Question by Miriam Villanueva] I live in the Santa Ana neighborhood of Managua. Companero Ortega, I wish to ask two questions: First, we know that the anti-Somoza People's Militia [Milpas] was a guerrilla faction that fought alongside the Sandinist National Liberation Front [FSLN] during the popular insurrection. But in the wake of victory, the two organizations split since the Milpas was considered ultraleftist and for this reason it was rejected by the Sandinist front. I would like you to explain how this ideology is wrong for our masses, if we have the same interests? Please make your explanations concrete.

[Answer] In the first place, I would like to point out to Companera Miriam Villanueva that this organization known as Milpas had a very limited participation in the armed struggle which our people waged under the direction of the FSLN against the Somoza dictatorship. We already know that it was the FSLN which from the decade of the sixties until its victory remained tenaciously at the head of the political struggle--at the head of the organizational and military efforts of our people to rid themselves of the nefarious Somoza dictatorship. It is also known that these elements, these small groups that attempted to create the image of an organization, jumped on the bandwagon put together by the FSLN through many years of struggle with the people, especially during the last year until the final offensive to overthrow the Somoza dictatorship. That is, the Milpas carried out minimal military work and at the moment when the people, led by the FSLN, had already developed the armed methods which determined the people's victory over the dictatorship.

These elements, whom we describe as ultraleftists, even before the victory had not recognized the revolutionary vanguard quality of the FSLN and simply abused positions which they call Marxist-Leninist to confront the FSLN. From positions supposedly quote Marxist-Leninist unquote positions, they raised radical banners that are not in line with the tactics, strategy or means of resolving the problems of a revolution. Quite the contrary, by mechanically applying the expertise of other nations, they harm our revolutionary process. These gentlemen do not even truly and conscientiously know the experiences of other peoples, among them Marxism-Leninism. They simply preach them, but they do not even know them.

After the victory, these gentlemen tried to confuse our masses with radical positions, saying that solutions to our problems had to be at short range, that the process of alliance, of national unity, carried out by Sandinism was not correct, and so forth, and used other slogans to confuse our working classes and strengthen their group's positions.

However, our people have noted their characteristics, placed them correctly and isolated them. Therefore, if these gentlemen--what is left of them--really, like the companera says, have the same objectives as Sandinism, they will, in any event, have to correct their positions and submit to the revolutionary process being implemented by the FSLN. If they do not, these radicals do as much harm as the attitudes caused by the counter-revolution, from the most reactionary positions of the turncoat bourgeoisie and imperialists.

[Question by Juan Rojas] Commander: I want to know if the heads of the Ministry of Transport, mainly the drivers of urban routes, are given political training, since many of them leave much to be desired in the way they express themselves about our process. The second question is: Why are drastic measures not applied to the daily LA PRENSA since it is a well-known fact that this daily only tries to confuse our people, giving bad propaganda to our revolutionary process? Thank you and a revolutionary salute.

[Answer] Yes, companero, we realize that it takes time to make people conscientious. However, the people have already taken the first big step in their struggle against illiteracy. This is a campaign to improve the means of understanding and culture, and little by little it will help us to understand much better the revolutionary principles and political guidelines. We are sure that the companero leaders of the drivers are not counterrevolutionaries.

Those who are expressing negative views are to some extent unconsciously perpetuating the evils inherited from the Somozist system of exploitation and oppression. We will overcome these evils, which are the cause of these negative attitudes, by means of the revolution, which has been a great school and which improves our methods and attitudes. We do not believe that these are companeros opposed to the revolutionary process; they are only showing that we need to improve our backward society. However, we do agree that it is the duty of the revolutionaries to try to understand those sectors still maintaining those views so that we can help them overcome such attitudes.

Regarding the problems of the newspaper LA PRENSA, we are sure that the Nicaraguan people are going to stop reading it as long as it persists in serving the interests of the most reactionary sectors in the country and abroad. Only people whom we consider counterrevolutionaries will be reading LA PRENSA if it continues in this way. If LA PRENSA does not assume a more serious and responsible attitude toward this process, the junta of the Government of National Reconstruction, our revolutionary government, I am sure, will take the measures established by our laws to control the abuse that these gentlemen are committing on behalf of an alleged freedom of the press and democracy. We are definitely going to continue with our free and democratic process but we will take into consideration that this is a people's process of democracy and freedom and so they can commit their abuses, which the people must watch and stop with measures the government feels are necessary.

We are not against the freedom of the press; we are against the abuses that these gentlemen are committing because of the freedom we have.

[Question by David Aragon] According to rumors, we will soon have elections in Nicaragua. Are we going to allow the participation of those sectors that for centuries exploited and robbed the people?

[Answer] I wish to point out to Companero David Aragon that on 19 July 1979, our people, with weapons in their hands and the memory of the sacrifice of 50,000 Nicaraguan patriots, decided who they wanted to run the country. On that occasion the people decided that they were the ones who were going to rule themselves when they supported Sandinism. When we talk about elections, we are not referring to a raffle to see who is going to seize power. When we talk about elections, we are not talking about the type of elections the counterrevolutionaries, the betraying bourgeoisie, think we are going to have here. We are not going to have elections as if people did not know who was in power. In other countries elections are held to choose a government; in Nicaragua the people have already chosen their government. The Sandinist people have already seized power. Therefore, when we talk about elections, we are referring to the mechanisms and systems that our revolution is going to implement so that the working people will elect the representatives of their established government in the best and fairest manner. In the future, elections will be held to improve on the representatives of a people who are already in power and who have chosen their revolutionary destiny.

These elections are not going to be an orgy. They will not be the same, for example, as the elections in which Fernando Augero Rocha deceived a sector of our population which was being massacred. This is what Somozism and the most reactionary sectors of imperialism did in 1967. This is not the type of election we are going to hold in the future. They will be the elections of a process which is already defined by those who conquered it.

AUTHORITIES CRITICIZE ATTACK ON TANKERS OFF AFRICA

PA141234 Buenos Aires LATIN in Spanish 0623 GMT 14 Jul 80

[REUTER item by Albert Clark]

[Text] Havana, 14 Jul (REUTER)--The Cuban authorities today harshly criticized the attack against the two Cuban ships along the west coast of Africa by unidentified fighters that left a toll of one dead captain and three wounded officers.

Over 500 members of the ruling Communist Party of Cuba met in Havana and observed a minute of silence in memory of the late captain of the Moroboro. Those present condemned the incident, which all of the press and radio stations controlled by the state described as a "criminal, mean and cowardly attack against defenseless ships."

The attack took place at 1930 GMT on Saturday about 30 miles off the coast of the area of Villa Cisneros, in the southern part of Western Sahara, administered by Morocco, according to local newspaper reports. The two tankers had sailed a few days ago from Las Palmas, in the Canary Islands, and their mission was to supply fuel to the Cuban fishing fleet in the Atlantic, the reports added. The crew of the Moroboro put out the fire that developed after the attack by the unidentified jets. The reports did not mention the extent of the damage on the other ship, the Gilberto Pico.

The reports did not say if there was any connection between this incident and the support given by Cuba to the Polisario Front guerrillas who are fighting against the Moroccan troops to establish an independent state in the Western Sahara, a former Spanish colony. Morocco broke diplomatic relations with Cuba on 23 April after the Havana government recognized the Arab Republic of the Sahara proclaimed by the Polisario guerrillas who have the support of the Algerian authorities.

The names of the persons hurt in the attack were identified as the captain of the Moroboro, Manuel Ventura, who was killed; the chief engineer, Narciso Scull; his first officer, Jesus Medina, who was seriously hurt, as well as the first officer of the Gilberto Pico, who was slightly hurt.

On 10 May, two Cuban MIGs sank a patrol vessel of the Bahamas which left a toll of four dead crewmembers, after the ship had detained two Cuban fishing vessels in the straits separating the two islands. Cuba later provided excuses and promised to pay a compensation for the incident.

Fishermen's Communique

FI141055 Havana Domestic Service in Spanish 1000 GMT 14 Jul 80

[Text] The National Trade Union of Merchant Navy, Ports and Fishing Workers has called on all its members to be at the Alameda de Paula on Tuesday the 15th at 1700 hours to condemn the cowardly and vile attack on the oil tankers Moroboro and Gilberto Pico belonging to Cuba's tuna fishing fleet which caused the death of the Moroboro tanker captain, Manuel Ventura.

In condemnation and repudiation of the vandalic action, the Cuban tuna fleet workers have issued the following communique:

It is known by all governments of that region that our oil tankers carry this operation out in an ordinary manner without violating any established international laws. We know who the intellectual author of that cowardly action has been: Yankee imperialism, the CIA and the lackey governments that are at their service. They are behind all this.

What is imperialism trying to do? To stop our ships from taking from the sea the food that our people need? What is the CIA trying to do? To instill fear and panic in our fishermen? Very well, the communique goes on, we declare at the top of our voices that they will fail in their attempt. We will continue to struggle. We will continue to work and we will continue to be increasingly internationalist and communist. We fishermen in general are convinced that our ideas are just but we are also ready to give up our own lives if necessary for our people. Assassinations, attacks, slander or force cannot stop us from doing our peaceful and creative work.

The communique concludes: Once more we tell our commander in chief that the Cuban tuna fishermen cry out with all our strength: Wherever, however, and whatever, commander in chief, we are at your service.

The Moroboro and Gilberto Pico tankers were attacked by two military jets approximately 30 miles off the Western Saharan coast. They had left the port of Las Palmas some days earlier to supply fuel to Cuban tuna trawlers operating in the central Atlantic. As a result of the criminal attack on these ships, the Moroboro captain, Manuel Ventura Ventura, died. The ship's engineer, Comrade Narciso Scull, and its first mate, Comrade Jesus Medina were injured, and so was the Gilberto Pico's first mate Comrade Jose Quintero Vidal.

Details of Attack, Aftermath

FL141154 Havana Domestic Service in Spanish 1045 GMT 14 Jul 80

[Excerpt] Two Cuban oil tankers, the Moroboro and the Gilberto Pico, of the Cuban fishing fleet, were attacked on Saturday at 1530 Cuban time by two military jets some 30 miles off Western Sahara. The cowardly action against two defenseless ships caused the death of the Moroboro's captain, Jose Manuel Ventura Ventura, and serious injuries to engineer Narciso Scull and first mate Jesus Medina. The Gilberto Pico tanker's first mate, Comrade Jose Quintero Vidal, was slightly injured. Both ships were refueling tuna trawlers fishing in the central Atlantic.

It has been learned from the Cuban fishing fleet that Ventura Ventura's body and the injured men were transferred from the attacked boats to a speedboat belonging to the Spanish Navy which is now carrying them to the Canary Island's port of Las Palmas. Two Cuban physicians are traveling in the Spanish boat. One of the doctors is a member of the Moroboro crew, the other is a doctor on the (Casero) fishing boat, which along with the Merluza, was immediately sent to the aid of the attacked boats.

Latest reports say that the Spanish boat, the destroyer (Surruca), was expected in Las Palmas early this morning. The Moroboro and Gilberto Pico, escorted by the (Casero) and the Merluza, are also on their way to Las Palmas.

The attack on the Cuban boats by two military jets occurred in international waters, 30 miles from Western Sahara, a territory illegally occupied by Morocco, when they were carrying out their normal activities. For years, our tankers received fuel in that area in order to refuel the fishing boats operating in the central Atlantic. It was learned that before they were attacked, the two boats were buzzed by a small plane that was camouflaged and bore no identifying marks. The plane circled them at about 400 or 500 meters and then withdrew in a northeast direction. Half an hour later, the two jet fighters, of the French-made Mirage type, came from that same direction. They overflew the boats twice. The second time, they strafed the boats from bow to stern from some 150 meters above. Following the cowardly action, the planes disappeared in the same northeast direction. The shots hit the bow of the Gilberto Pico and the stern of the Moroboro.

Captain Ventura Ventura was killed and three other crewmembers were wounded. Jose Manuel Ventura Ventura, 41, was married and the father of two children. He had been fishing for 29 years.

He joined the militia at the triumph of the revolution and had been a member of the committees for the Defense of the Revolution since their founding. He was an advance worker and had been selected a vanguard worker of the Cuban shrimp fleet. He was also a member of our party.

Medical Report on Seamen

PA141237 Madrid EFE in Spanish 1153 GMT 14 Jul 80

[Text] Las Palmas, Grand Canary, Spain, 14 July (EFE)--Medical reports on the 3 Cuban seamen wounded Saturday during an attack on their boats 45 km off the Western Saharan coast confirm that they are in serious condition.

According to Dr Domingo Marrero of the Las Palmas Island Hospital emergency service, seaman Jose Antonio Quintero has a shrapnel wound on his left leg and his case has been described as serious considering his recuperation time rather than the wounds themselves.

The one in worst condition is Narciso Jose Scull Jimenez, "who has numerous first and second-degree burns and foreign matter--shrapnel--in many parts of his body." Jesus Medina Diaz, the other seaman, also has numerous burns and foreign matter in his body, although his condition is less serious than that of his companion. Dr Marrero said that at the moment, it is very difficult to make a statement regarding the time they will remain hospitalized.

The three seamen, along with Capt Manuel Ventura, who died, were attacked by two Moroccan combat planes--according to Cuban sources--while aboard their boat with the rest of the crew, at anchor in waters of the former Spanish Sahara.

Moroccans Allegedly Behind Attack

PA150009 Madrid EFE in Spanish 2314 GMT 14 Jul 80

[Text] Las Palmas, Grand Canary, Spain, 14 Jul (EFE)--The crews of the two Cuban ships who arrived in Las Palmas port tonight stated that the air attack they suffered was staged by two camouflaged "Mirages," "which may have been Moroccan."

The Moroboro and Gilberto Pico oil boats entered La Luz port at 2030 GMT and its crewmembers were received by Jesus Fernandez Ponce, Cuban consul to Grand Canary.

The crewmembers agreed in stating that they were attacked at about 1930 last Saturday in waters near the former Spanish Sahara, although none of them dared to affirm that the attack was staged by Moroccan planes. "We cannot assert that they were Moroccan," they said, "because they were camouflaged with dark gray color. We suspect they were Moroccan aircraft in view of the direction they took following the attack, heading for the coast."

They stressed that the attack lasted some 40 minutes and that four bombs were dropped which fell into the sea. "We think that the planes meant to sink the ships and to kill the crew," they said, "but they did not succeed since they did not have good gunners."

When they were told that their wounded companions had taken for granted that the attack was of Moroccan origin, the crewmembers limited themselves to saying that "they were precisely the ones who had a better view of them, because they were on the deck."

"We," they added, "were going in and out to put out the fire, rescue the wounded and avoid being hit."

Of the two oil boats, the Moroboro is the one more badly damaged with many bullet holes, the debris of a fire on the deck and a cabin door ripped off by an explosion. In the middle of this cabin there is a large bloodstain testifying to the death of the captain who was dragged there by his mates after being wounded when he was on the deck.

The crewmembers of both boats, who said that at the time of the attack they were anchored some 15 miles off the coast to refuel Cuban fishing boats requiring it, said they would return to work as soon as possible.

CASTRO SPEAKS AT TEACHERS' GRADUATION CEREMONY

FL120137 [Editorial report] Havana Domestic Television Service in Spanish at 0035 GMT on 12 July carries the graduation ceremony of the Manuel Ascunce Domenech Teachers School held earlier in the day at Havana's Karl Marx Theater in which Fidel Castro was the featured speaker.

The ceremony begins with the Cuban national anthem while the camera pans the mostly young audience. Fidel Castro and members of the Secretariat are shown at the speaker's table. There is a roll call of dead student leaders, including Ascunce Domenech. Announcer Manolo Ortega then introduces outstanding student (Belkis) Rosales Leyva who administers an oath to the graduates. She presents Fidel Castro with the leather-bound oath. Ortega starts calling out the names of other outstanding students, telling the audience their majors, grade average and other academic details, while Castro presents each graduate with his or her diploma.

An internationalist teacher serving in Nicaragua talks for a few minutes of her experiences, at the end of which she is embraced by Castro. Julio Reyes, who heads the education workers trade union, presents one of the graduates with a union card in a symbolic gesture. Fidel Castro begins talking at 0190 GMT.

Castro Speech

FL141500 Havana Domestic Service in Spanish 0109 GMT 12 Jul 80

[Speech by Cuban President Fidel Castro at graduation ceremony of the Manuel Ascunce Domenech Teachers detachment at Havana's Karl Marx Theater on 11 July--recorded]

[Text] Dear comrades, I was very moved, watching the proceedings, the handing out [interrupts thought] first, how you listened to that magnificent oath, how the diplomas were handed out to the outstanding students of the fourth and second contingent. I listened to the words of the comrade who spoke in the name of our teachers in Nicaragua, to the presentation of the identification card to the comrade from Santiago. I believe she's from Santiago. Oh, she's from Guantanamo, that's right. Well, they are very close. No, the girl from Santiago is over here. Guantanamo, Santiago. Then, all of a sudden, Ortega [not further identified] reminded me I had to step up on the podium and speak. So, I am here without too much mental preparation.

Well, I asked, who am I speaking to? No less than teachers, graduates of the detachment; that is, from the general teaching courses at the intermediate level, teachers with bachelors in education, [applause] a new generation of teachers, professors--demanding, exacting, high-level teachers and professors. Just because these events are periodic--since they are held every year--it does not mean that they are less impressive. Or less moving.

Rather, they show us what we have been achieving, since a graduation of this kind--5,836 teachers--is something transcendental, especially if we recall that only a few years ago, the total of students in the schools of education did not exceed a few hundred, and today 5,836 are graduating. And the number of graduates next year will be around 10,000 from the various schools.

As you know, the ones here belong to the first contingents to receive their bachelors, to become professors. But I believe that next year there will be three contingents. Let me see. If I can understand it well, I may be able to explain it to you. The fifth contingent will graduate. Isn't that so? The last contingent of secondary teachers. The teachers of the third contingent graduate. And I believe the first ones of the sixth contingent graduate. Is that clear, professor? If it is so, it is. [laughter] The third ones of the sixth contingent, which is the first preuniversity contingent. Is that clear or is it all muddled up? [laughter]

Three groups are graduating next year. The explanation for this? Well, the sixth contingent follows a 4-year course. Those in the fifth contingent who enrolled the year before follow a 5-year course. And those of the third are taking a 2-year course to get their bachelors. Of course, this does not include the students and graduates, the graduations that are taking place constantly of thousands and thousands of elementary school teachers who have become intermediate-level teachers and other categories of students and graduates. The ones here are simply the graduates of the teachers' detachment. Really, the numbers of students in the various courses, of our teachers, are impressive. Impressive. In the teachers' training institutes alone, there are around 57,000. When you add the other courses, when you add the elementary teachers, those who are taking courses for their bachelors, and so forth--they are easily more than 100,000, easily. I think that the figure is so high that it is incredible. I saw some numbers around that said 157,000. This includes those studying to be elementary school teachers. It really is an incredible figure.

We can say that, at this time, the bulk of our teaching personnel is engaged in a great endeavor of study and improvement by the teachers and professors themselves. All the plans aim for the improvement of our teaching personnel, which is highly varied. Here we have the comrades of the first contingent to receive their bachelors who have done so by studying two additional years after their graduation. Concerning the second contingent, we can tell you that 85 percent of those from the second contingent who received their teachers' certificates are today graduating with bachelors in education. We shall see--and we hope that we do--if more than 85 percent of the 4,020 from the fourth contingent graduating here will be able to graduate two years from now with their bachelors degrees.

Future graduations will be those of students who started out with 12th grade educations. At the same time, we have courses for elementary teachers who became intermediate teachers and who now are studying to become senior intermediate teachers.

We have teachers who began their studies to become elementary school teachers with a sixth-grade education. They are now studying to reach the levels they would have had they started out with a high school education. We have thousands, tens of thousands of what we could call people's teachers. They had no degrees and yet they responded to the call of the nation and the revolution to teach the children. During these past years, they have been graduating and attaining the position of teachers with a degree. They will in turn join other categories of students in a continuous process of self-improvement. The ministry, the state will provide facilities to these teachers to the extent that we have the necessary resources available to provide these self-improvement courses.

We have elementary school teachers who are preparing to start studying for a degree in elementary teaching. And they are also in the many thousands. And they give us an idea of the nature of this self-improvement movement among the teaching personnel in our country.

If we think of the situation in the past when, on the one hand, we had thousands of children without classrooms, and, on the other, enormous difficulties in recruiting teachers who would work in the countryside and in the mountains; if we recall that 20 years ago we had a high rate of illiteracy; and if we see that today we are fulfilling the goal of attaining a sixth-grade education as the minimum in a large number of the country's municipalities, we can see how much we have advanced in education, what very high goals we have attained by taking this road.

But it is not only that, since education cannot be measured only in terms of quantity, in terms of numbers. It is also measured in terms of quality. In future years our problem will not be how many teachers without degrees are working in our classrooms or how many children of elementary and secondary school age are in school, because the total percentage will be 100 percent. As we improve our institutions and schools for children with difficulties of one kind or another [leaves sentence incomplete] in the future all our efforts will basically concentrate on the quality of our education. This not an effort of the future but rather an effort which we have been making for several years now with our improvement of education plans, with new programs, new textbooks, new experiences, with better-prepared teachers, much higher level teachers.

Of course, we have a long way to go in the next 5, 10, 15, 20 years. But who knows what new goals we will attain? Goals which, if mentioned 20 years ago, would have seemed a product of fantasy. And the years will come when we have thousands and even tens of thousands of elementary school teachers with university degrees. And we will have more material facilities, more schools with smaller classes. And if for a certain number of years we had to resort to the people's teacher without a degree--and we had tens of thousands of those--imagine what the situation will be when we have tens of thousands of bachelors of elementary education teaching in our country? What an extraordinary, what a beautiful, what a promising future education has in Cuba.

And this is heightened if we think not just about technical quality, about the pedagogical quality of our teachers, but about the human, moral, revolutionary quality of our teachers. These are not simply words because, when we were listening to the comrade who spoke of her experiences and those of her comrades and of her work in Nicaragua--over there in Chontales, in areas where you have to walk for hours and days or ride on horseback for hours and days or travel by boat, over there in places next to which Baracoa is practically Lenin Park in Havana and the Sierra Maestra is El Prado or Central Park, now those are really remote places and the living conditions are difficult, very difficult according to reports we get that are sometimes incredible--of how our 1,200 teachers scattered all over the country with great enthusiasm to fulfill their task--when one has the opportunity to listen to these accounts, these reports, these realities which for us become quite natural things if we go back a few years. Graduations such as these would not have been possible. Experiences such as these would not have been possible. Those things were inconceivable, those things belonged to the dreamers, to the deluded, to madmen; those things that our comrade explains here so naturally. And she represents 1,200 teachers, many of them women.

And admiration goes deeper when we recall that when the call was made for teachers for Nicaragua upon the triumph of the revolution in that brother country, 29,500 elementary school teachers volunteered. But the stories she can tell, and the experiences she can relate, and feelings she can express here--our little comrade representing the teachers in Nicaragua--those are the same things that any comrade of the Che Guevara teachers detachment now teaching at the intermediate level in Angola could tell us with similar merit and, in certain instances, with even greater merit. Or the type of thing that any of the hundreds of elementary teachers who are also teaching in Angola could tell us.

Many tales could be told such as our literacy workers could tell--those very young students who went to the mountains in 1961 to wipe out illiteracy in our country.

They set an admirable precedent and example which has served as a source of experience for other nations such as Nicaragua which, though it has an even higher rate of illiteracy than we had in Cuba, intends to wipe out illiteracy in a single year.

In all the eras of our history--a history of a people whose quality rises, whose pages are each day more meritorious--the teacher is always there. And when we mention the names of illustrious patriots to honor them, the list is headed by Marti, by Mendive, by Cespedes--from those illustrious teachers of the 19th century to the illustrious teachers of this century: (Guido) Varona, Frank Pais, Tey, Manuel Ascunce. But that list could be even longer because, in one way or another, all the founders of our nation were teachers. They might not have taught in a schoolroom but they taught in the classroom of the patriotic struggle, of the revolutionary struggle. They even taught on the battlefields, because who can deny that Agramonte was a great teacher? And that Maceo--that example of civic, patriotic virtues, discipline, equity and justice, heroism--who can deny that he was a great teacher? In the last analysis, the concept of the teacher includes many things of which technical capacity and knowledge is only a part. There are parts that are as important, and sometimes more important, such as the capacity to mold the personality of the child, the youth, the adolescent, the capacity to instill and awaken the noblest, fairest, worthiest feelings, the capacity to develop all their potential values which range from moral, esthetic values, to revolutionary, political values. That is why it is difficult to believe that there can be any other task that is more important in our society than the teachers.

Perhaps there is no other task which demands greater responsibilities than the teacher's, than the educator's, in every sense because every child, every youth will always see in the teacher a motive for inspiration. The smallest defect in an educator multiplies in those he teaches. The smallest fault and the smallest weakness multiply as many times as his virtues, his example do. It is difficult to believe that there can be any other task which demands more responsibilities and more duties. I believe that we have had the privilege and good fortune to have among our educators a great number of valuable and extraordinary human beings, a great number of political values and a great number of revolutionaries.

I believe that we are privileged to have in our country a great number of educators who are continuously being joined by new valuable comrades and who are always ready to improve themselves, who are always willing to fulfill the tasks that the fatherland and the revolution assign to them, who are always willing to continue to study, to do research work, to continue to develop their abilities, to continue to raise the level of the quality of education in our fatherland and who understand the importance that every teacher must be an example, that every teacher should be invariably demanding and at the same time generous and kind. The teacher should be demanding with himself first in order to be able to ask from his students what he asks of himself.

It is not an exaggeration to say that in the countries of the so-called Third World education is one of the most worrisome problems. And, doubtlessly, it is not possible to name, it is not possible to imagine a country of that so-called Third World which has attained the levels of education reached by our fatherland. I am sure that others, through revolutionary processes, will attain what we have today, but it is difficult to imagine any other country which has a contingent of educators of the quality our country has today. I am referring to countries of the Third World, but we could talk about many non-Third World countries against which we can already compete in technical quality and ahead of which we are, of course, well ahead in humane and revolutionary qualities.

I understand what this graduation means to all of you. We know the effort you have made since the appeal we made 8 years ago for solving what appeared to be an insoluble situation. Since that moment you responded quickly and enthusiastically to the call for registering in these courses of study, in this detachment to cope with that enormous number of students which was growing by the hundreds of thousands every year in the

middle level of our education system, to avoid finding ourselves in the most absolute state of helplessness and paralyzed in our revolutionary educational process. Then you responded "present." We know that many of the best students said "present." And we know many cadres of the federation of middle school students and many cadres of the youth said "present." It was this way because it was understood that to say "present" was a duty because the importance of this revolutionary task was understood.

From the gesture of the response and throughout the long years of study that have elapsed since then, which for many are 5 now and for others graduating today were 7 years of study, study combined with work, because no one should believe that throughout those 7 years it was only study. Throughout those 7 years they also worked. Throughout those 7 years they also taught. Throughout those years, for every one graduating here today, it can be said that tens of thousands have graduated and, perhaps, hundreds of thousands of secondary school students and preuniversity students.

We know the tremendous effort you have made in all this and the satisfaction each of you feels. There were so many students graduating this year that there was practically no room in the Karl Marx [Theater], that it was impossible to invite relatives. I do not know where we will conduct commencement exercises next year. Probably it will have to be done at the stadium or any place as big, or at the Plaza de la Revolucion. We also know about the intimate satisfaction derived when, through one's own merits, one's own effort, one's own sacrifice, one's own perseverance, you are able to achieve the goals you have attained.

The responsibilities you have been assigned and the fact that comrades of the detachment are already assuming important responsibilities in many educational institutes are equally rewarding for many of you. I do not have the least doubt that even though we now have professors who have demonstrated their abilities and experiences, even though we have tens of thousands of primary school teachers who became middle level professors, anyone who tours our educational system in the future will find the men and women of the Manuel Ascunce Domenech teacher detachment everywhere he goes. [applause] They will be found in the classrooms, managing schools and in all the positions of our party and state related to education and, perhaps, in many other tasks of the party and revolution, because just as we find physicians in party functions, we also find many teachers exercising many other responsibilities in our party and in our state.

This is a logical result if one takes into consideration the intellectual level and the humane quality of our educators. Not long ago we said that our educators, despite their intellectual responsibilities, eminently intellectual, distinguish themselves for their proletarian spirit. We believe this is the essence--to attain the highest technical levels, the highest intellectual levels and at the same time the purpose, the commitment, the idea, the modesty, the spirit of sacrifice, the struggle, the determination and firmness of our workers. We would say that the formula for our educators, the ideal formula, the perfect formula is to combine the highest intellectual levels with the highest virtues of our laborers and workers, the best and highest virtues of the proletarian spirit. [applause]

That is what we want from our educators and, not only because of our love, sympathy and admiration for our educators, but because it is an obligation of our fatherland and revolution. We represent the first socialist revolution in the Western Hemisphere, the first one. [applause] It was carried out next door to the most powerful and richest imperialist country, and it is mostly surrounded by oligarchic and bourgeois states which are aggressive and hostile toward our revolution. Anyone can say that time change at a faster or slower pace. Anyone can say that the difficulties are many. The imperialists do not easily resign themselves to the changes in this hemisphere which they consider to be their private property.

44

An eloquent proof of this is the genocide currently being perpetrated in El Salvador, where 40, 50 or 60 persons are murdered daily merely to maintain in power the oligarchic and reactionary system in that nation, merely because that is the objective of Yankee imperialism and its reactionary allies in this hemisphere. This demonstrates that the struggle is protracted, a struggle of giants, a struggle of titans. We cannot for a minute believe that as we reach the street corner we will find the end of this situation, the end of imperialism, the end of the reactionary forces.

Experience tells us that it will be a protracted struggle, a struggle of giants, a struggle of titans. I repeat, comrades, you have the responsibility for molding those men in our fatherland, men who will be in the midst of that struggle in all fields. You, licensees, professors, educators, teachers, have the extraordinary and honorable mission of educating, molding those giants, those titans.

I am sure you are aware of that mission. That is why a graduation such as this is not one more ceremony. In reality it is an extraordinary event in the life of our people and our revolution. Fatherland or death, we shall win. [prolonged applause]

COMMENTARY OUTLINES GOVERNMENT STANCE ON REFUGEES

PA150344 Havana International Service in Spanish 0000 GMT 15 Jul 80

[Station commentary]

[Text] U.S. imperialism has tried in many ways to crush the Cuban revolution. For over 20 years, U.S. policy toward Cuba has been characterized by economic blockade, aggressions, invasions, mercenary attacks, attempts to assassinate our leaders, spy flights over our territory and the maintenance of a naval base in Guantanamo against the will of the Cuban people and government.

In recent times, the policy that has predominated has been that of ideological diversion. On the occasion of the departure from Cuba of thousands of social misfits who took refuge in the Peruvian Embassy in Havana and of thousands of others who later used the Mariel-Florida path to leave the country, the U.S. Government has tried to portray itself as the bastion of human rights and is attempting to formulate what it describes as an international policy for those individuals, whom it calls refugees.

In summary, the United States is trying to distribute among other countries the scum who left Cuba. To this end, it has designed a policy for reporting on that situation. It has called international meetings, like the two held in Costa Rica and, finally, it is attempting to bring before international organizations the problem of the so-called Cuban refugees.

Recently, Donald McHenry, U.S. ambassador to the United Nations, tried to introduce the topic during one of the sessions of the UN Economic and Social Council (ECOSOC). McHenry's statements were refuted by Cuban delegate Louis Sola Vila, who expressed his surprise that the United States should have used that meeting, which analyzes very important international economic problems, to attempt to bring up social problems caused primarily by the U.S. government in its policy of exploiting and looting the nations of what is known as the Third World.

Sola Vila added that the U.S. Government for a long time encouraged all kinds of illegal departures from Cuba as an instrument of dirty imperialist propaganda. He added that all kinds of criminals, scum and social misfits who left by such means, whether hijacking boats or committing acts of piracy, were received as heroes in the United States with a great public display.

In order to resolve the situation that the scum have created within its territory, the United States has tried to show the world that some of those individuals are criminals who should be repatriated or simply distributed among other countries.

It is true that many problems have been caused in the United States by these individuals, who are repudiated in the cities where they are located. It is enough to recall the high rate of unemployment that exists in that country, the events at Fort Chaffee and the fact that U.S. citizens who live near the area have even had to turn to firearms to defend themselves from those who have managed to escape from that camp.

However, what is the United States complaining about if, as the Cuban delegate said to ECOSOC, successive governments of that country have for over 20 years given protection, asylum and financing to thousands of criminals and lawbreakers, torturers and assassins who were fugitives from Cuban justice? Moreover, as the Cuban delegate noted, after 1959, the U.S. Government continued to receive torturers, criminals and persons who had stolen from the public treasury. Anyone would ask: What is the difference between those individuals and those who have left Cuba recently?

Moreover, the revolutionary government has reiterated that it is not refusing to discuss the exodus of the social misfits. However, it will do so only with the United States and only within the framework of a total discussion that must include topics such as the economic blockade, the existence of the Guantanamo Naval Base and the suspension of the spy flights over our territory.

JAMAICA

MANLEY DENOUNCES FATAL SHOOTING INCIDENT

FL141232 Kingston Domestic Service in English 1130 GMT 14 Jul 80

[Text] The People's National Party [PNP] and the Workers Party of Jamaica [WPJ] have both strongly condemned yesterday's shooting incident in Greenwichtown during which seven persons were killed by gunmen.

Prime Minister and President of the PNP Michael Manley said he was shocked at the news and the general state of violence in the corporate areas. The prime minister called on all citizens of good will to cooperate with the security forces in the effort to stamp out politically-motivated violence. At the same time, he urged PNP supporters not to be intimidated and not to retaliate but to continue to work peacefully for victory in the forthcoming general elections.

In its reaction, the Workers Party of Jamaica said it was clear that the reactionaries had declared open war on the citizens of Greenwichtown and displayed scant respect for the lives of poor people. The party pointed out that the attacks were well organized and carried out with highly sophisticated weapons. The WPJ called on Prime Minister Manley to heed the people's call for an expansion of the Home Guard Movement to enable people to defend themselves with the aid of patriotic security forces.

In the meanwhile, (?Greenwichtown) police has launched an investigation into the shooting incident in Greenwichtown which claimed seven lives. Eyewitnesses say at least five gunmen were involved. [Words indistinct] kicked at the doors of the dwelling house in the East Avenue-8th Street area and opened fire. Neighbors who witnessed the incident said the gunmen escaped in an easterly direction along [words indistinct] Greenwich (?Park) which leads to Frenchtown, [words indistinct].

WITHDRAWAL OF 'CIA OFFICIALS' REPORTED

PA142122 Havana International Service in Spanish 1800 GMT 14 Jul 80

[Excerpt] Around half of the CIA officials who operate in Jamaica--where the largest espionage station against the Caribbean operates--have been withdrawn, along with their families, it has been learned in Kingston. Reports by the Jamaican press confirm the evacuation of the families of the CIA spies under the pretext of the lack of security. The newspaper DAILY NEWS reported the departure of Edward Baker, one of those in charge of the operations of that espionage agency in Jamaica. The U.S. Embassy in Kingston confirmed the withdrawal of Jesse Jones, an infiltrator in the Jamaican Government Ministry, and seven other espionage agents whose names have not been published but who enjoyed diplomatic immunity.

Both the U.S. Embassy and the State Department refused to comment on the charges by newsman Louis Wolf, investigator of the CIA's clandestine activities, who has disclosed that the CIA has in the Kingston embassy the largest base of subversion against the Caribbean, particularly Nicaragua, Grenada and Cuba.

INTER-AMERICAN AFFAIRS

C.A. LEADERS TO MEET MEXICAN, VENEZUELAN COUNTERPARTS

PA141927 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Jul 80

[Text] All the Central American presidents will meet in San Jose, Costa Rica on 3 August. The presidents will review the political situation prevailing on the isthmus, particularly in El Salvador and Guatemala.

This meeting will coincide with the meeting of the Central American presidents with their Mexican and Venezuelan counterparts in San Jose to discuss the issue of oil. The Mexican and Venezuelan presidents will sign an oil cooperation agreement there for the Central American nations. The Central American presidents will also sign this agreement. Mexico and Venezuela will supply oil to Central America, charging them the international market prices but offering them medium-and long-term financing for 30 percent of the value of each barrel, it has been learned from official sources.

BRIEFS

ANDEAN PACT IMPORT FIGURES--Lima, 12 Jul (LATIN)--According to Washington Herrera, coordinator of the Andean Pact's technical branch, the five members of this organization imported goods worth \$24 billion during 1979. [Buenos Aires LATIN in Spanish 0150 GMT 12 Jul 80 FY]

ECUADOR

GOVERNMENT TO NEGOTIATE NEW OIL EXPLORATION CONTRACTS

PA111536 Quito Voz de los Andes in Spanish 1230 GMT 11 Jul 80

[Text] Jose Carvajal, general manager of the Ecuadorean State Petroleum Corporation, said at the closing sessions of the first Latin American seminar on oil exploration contracts held in Quito that Ecuador is preparing to initiate the first round of negotiations with the foreign companies on the basis of the new oil contract models.

He said that on oil contracts the country has resumed a long-held nationalistic position which seeks to establish contract models for risk services [modelos de contratos de servicio de riesgos] which will adapt the most advanced current contracting schemes in the world to the Ecuadorean situation.

CEPE AFFIRMS SALE OF 98-OCTANE GASOLINE BY END OF JULY

PA101910 Quito Voz de los Andes in Spanish 1230 GMT 10 Jul 80

[Text] Jose Carvajal, manager of the Ecuadorean State Petroleum Corporation [CEPE], says that CEPE will begin selling 98-octane gasoline at the end of this month. He said that a new price will have to be established as part of the previously announced energy price revision policy. He added that it is necessary to establish an appropriate profit. In the middle of June, Carvajal announced that the new grade of gasoline would be on the market within 45 days, and last night he said that the deadline is the end of July and that his promise will be fulfilled.